



January 31, 2014

## SENATE BILL No. 367

DIGEST OF SB 367 (Updated January 30, 2014 10:50 am - DI 58)

**Citations Affected:** IC 5-3; IC 5-28; IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.1; IC 8-22; IC 27-6; IC 27-8; IC 36-4; IC 36-5; noncode.

**Synopsis:** Property tax matters. Changes the schedule of maximum property tax rates that may be imposed by an airport authority. Specifies that the maximum tax rate decreases as the assessed value within an airport authority reaches certain thresholds, but not to the extent required by current law. Specifies a maximum tax rate calculation that provides that the tax rate is not decreased to a level where the airport authority would initially lose tax revenue as the assessed value increases. Provides a three year time limit on refunds related to a petition to correct a property tax error. Makes the 2012 maximum property tax levy for Fairfield Township in Tippecanoe County permanent. For projects that are not school projects, specifies, in determining the ceiling under the controlled project law, that only the amount from bond proceeds are to be counted. Provides for purposes of the property tax circuit breaker credit that a commercial hotel, motel, inn, tourist camp, or tourist cabin is not residential property. Specifies for purposes of the property tax circuit breaker credit that a single family residence under construction is residential property. Provides that public utility property tax returns shall be filed in the manner prescribed by the department of local government finance (DLGF). Allows a railroad car company to file its return by June 1 (rather than May 1). Authorizes a public utility company to file an amended return. Provides that the penalty assessed on a public utility company for filing a late return may not exceed \$1,000. Provides that if the DLGF assesses the property of a public utility company  
(Continued next page)

**Effective:** January 1, 2014 (retroactive); upon passage; July 1, 2014; January 1, 2015.

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**Hershman, Kenley**

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January 14, 2014, read first time and referred to Committee on Appropriations.  
January 30, 2014, amended, reported favorably — Do Pass.

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SB 367—LS 6939/DI 58



because the public utility company does not file a return, the public utility company may file a return with the DLGF and the DLGF may amend its assessment. Provides that if, after an assessment date, an exempt property is transferred or its use is changed resulting in its ineligibility for an exemption, the county assessor shall terminate the exemption for that assessment date. Specifies that if the property remains eligible for an exemption following the transfer or change in use, the exemption shall be left in place for that assessment date. Provides that for the following assessment date, the person that obtained the exemption or the current owner of the property shall file an application with the county assessor. Requires applications for certain property tax deductions to be completed and dated in the calendar year for which the taxpayer wishes to obtain the deduction and to be filed with the county auditor on or before January 5 of the immediately succeeding calendar year. Requires a political subdivision to submit to the DLGF information concerning the adoption of budgets and tax levies using the DLGF's computer gateway (rather than publish the information in a newspaper). Requires the DLGF to make this information available to taxpayers through its computer gateway and provide a telephone number through which taxpayers may request copies of a political subdivision's information. Specifies that for taxes due and payable in 2015 and 2016, each county shall publish a notice stating the Internet address at which the budget information is available and the telephone number through which taxpayers may request copies of a political subdivision's budget information. Allows counties to seek reimbursement from the political subdivisions in the county for the cost of the notice. Provides that if a political subdivision timely submits the budget information to the DLGF's computer gateway but subsequently discovers the information contains a typographical error, the political subdivision may request permission from the DLGF to submit amended information. Specifies the conditions under which the DLGF shall increase a political subdivision's tax levy to an amount that exceeds the amount originally advertised or adopted by the political subdivision. Provides that certain income tax credits (which were reviewed by the commission on state tax and financing policy in 2012) may not be granted for taxable years beginning after December 31, 2016. Provides that certain income tax credits (which were reviewed by the commission on state tax and financing policy in 2013) may not be granted for taxable years beginning after December 31, 2017. Specifies that for the income tax credit for economic development for a growing economy that the Indiana economic development corporation may not approve an agreement after December 31, 2016. Specifies that contributions to organizations that provide services to individuals who are ex-offenders are eligible for the neighborhood assistance credit. Provides that beginning in 2015, the office of community and rural affairs administers the historic rehabilitation income tax credit. Authorizes a shareholder, partner, or member of a pass through entity to claim the industrial recovery tax credit. Makes changes to the income tax credit for property taxes paid on homesteads in Lake County. Adjusts the sales tax rate for a vehicle purchased in Indiana from the Indiana rate to the sales tax rate of the state of a purchaser if the seller and purchaser confirm that the purchaser will immediately register, license, and title the motor vehicle for use in another state. Extends the sales and use tax exemption for aircraft repair and maintenance.



January 31, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## SENATE BILL No. 367

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-3-1-2, AS AMENDED BY P.L.141-2009,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 2. (a) This section applies only when notice of an  
4 event is required to be given by publication in accordance with this  
5 chapter.  
6 (b) If the event is a public hearing or meeting concerning any matter  
7 not specifically mentioned in subsection (c), (d), (e), (f), (g), or (h)  
8 notice shall be published one (1) time, at least ten (10) days before the  
9 date of the hearing or meeting.  
10 (c) If the event is an election, notice shall be published one (1) time,  
11 at least ten (10) days before the date of the election.  
12 (d) If the event is a sale of bonds, notes, or warrants, notice shall be  
13 published two (2) times, at least one (1) week apart, with:  
14 (1) the first publication made at least fifteen (15) days before the

SB 367—LS 6939/DI 58



1 date of the sale; and

2 (2) the second publication made at least three (3) days before the  
3 date of the sale.

4 (e) If the event is the receiving of bids, notice shall be published two  
5 (2) times, at least one (1) week apart, with the second publication made  
6 at least seven (7) days before the date the bids will be received.

7 (f) If the event is the establishment of a cumulative or sinking fund,  
8 notice of the proposal and of the public hearing that is required to be  
9 held by the political subdivision shall be published two (2) times, at  
10 least one (1) week apart, with the second publication made at least  
11 three (3) days before the date of the hearing.

12 (g) If the event is the submission of a proposal adopted by a political  
13 subdivision for a cumulative or sinking fund for the approval of the  
14 department of local government finance, the notice of the submission  
15 shall be published one (1) time. The political subdivision shall publish  
16 the notice when directed to do so by the department of local  
17 government finance.

18 (h) If the event is the required publication of an ordinance, notice of  
19 the passage of the ordinance shall be published one (1) time within  
20 thirty (30) days after the passage of the ordinance.

21 (i) If the event is one about which notice is required to be published  
22 after the event, notice shall be published one (1) time within thirty (30)  
23 days after the date of the event.

24 (j) If the event is anything else, notice shall be published two (2)  
25 times, at least one (1) week apart, with the second publication made at  
26 least three (3) days before the event.

27 (k) If any officer charged with the duty of publishing any notice  
28 required by law is unable to procure advertisement:

29 (1) at the price fixed by law;

30 (2) because the newspaper refuses to publish the advertisement;  
31 or

32 (3) because the newspaper refuses to post the advertisement on  
33 the newspaper's Internet web site (if required under section 1.5 of  
34 this chapter);

35 it is sufficient for the officer to post printed notices in three (3)  
36 prominent places in the political subdivision, instead of publication of  
37 the notice in newspapers and on an Internet web site (if required under  
38 section 1.5 of this chapter).

39 ~~(l) If a notice of budget estimates for a political subdivision is~~  
40 ~~published as required in IC 6-1.1-17-3, and the published notice~~  
41 ~~contains an error due to the fault of a newspaper, the notice as~~  
42 ~~presented for publication is a valid notice under this chapter.~~



(m) Notwithstanding subsection (j); if a notice of budget estimates for a political subdivision is published as required in IC 6-1.1-17-3, and if the notice is not published at least ten (10) days before the date fixed for the public hearing on the budget estimate due to the fault of a newspaper; the notice is a valid notice under this chapter if it is published one (1) time at least three (3) days before the hearing.

SECTION 2. IC 5-3-1-2.3, AS AMENDED BY P.L.169-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2.3. (a) A notice published in accordance with this chapter or any other Indiana statute is valid even though the notice contains errors or omissions, as long as:

- (1) a reasonable person would not be misled by the error or omission; and
- (2) the notice is in substantial compliance with the time and publication requirements applicable under this chapter or any other Indiana statute under which the notice is published.

(b) This subsection applies if:

- (1) a county auditor publishes a notice concerning a tax rate, tax levy, or budget of a political subdivision in the county;
- (2) the notice contains an error or omission that causes the notice to inaccurately reflect the tax rate, tax levy, or budget actually proposed or fixed by the political subdivision; and
- (3) the county auditor is responsible for the error or omission described in subdivision (2).

Notwithstanding any other law, the department of local government finance may correct an error or omission described in subdivision (2) at any time. If an error or omission described in subdivision (2) occurs, the county auditor must publish, at the county's expense, a notice containing the correct tax rate, tax levy, or budget as proposed or fixed by the political subdivision.

SECTION 3. IC 5-28-15-14, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) A U.E.A. shall do the following:

- (1) Coordinate zone development activities.
- (2) Serve as a catalyst for zone development.
- (3) Promote the zone to outside groups and individuals.
- (4) Establish a formal line of communication with residents and businesses in the zone.
- (5) Act as a liaison between residents, businesses, the municipality, and the board for any development activity that may affect the zone or zone residents.

(b) A U.E.A. may do the following:



(1) Initiate and coordinate any community development activities that aid in the employment of zone residents, improve the physical environment, or encourage the turnover or retention of capital in the zone. These additional activities include but are not limited to recommending to the municipality the manner and purpose of expenditure of funds generated under ~~IC 36-7-14-39(g)~~ **IC 36-7-14-39(i)** or ~~IC 36-7-15.1-26(g)~~ **IC 36-7-15.1-26(i)**.

(2) Recommend that the board modify a zone boundary or disqualify a zone business from eligibility for one (1) or more benefits or incentives available to zone businesses.

(3) Incorporate as a nonprofit corporation. Such a corporation may continue after the expiration of the zone in accordance with the general principles established by this chapter. A U.E.A. that incorporates as a nonprofit corporation under this subdivision may purchase or receive real property from a redevelopment commission under IC 36-7-14-22.2 or IC 36-7-15.1-15.2.

(c) The U.E.A. may request, by majority vote, that the legislative body of the municipality in which the zone is located modify or waive any municipal ordinance or regulation that is in effect in the zone. The legislative body may, by ordinance, waive or modify the operation of the ordinance or regulation, if the ordinance or regulation does not affect health (including environmental health), safety, civil rights, or employment rights.

(d) The U.E.A. may request, by majority vote, that the board waive or modify any state rule that is in effect in the zone. The board shall review the request and may approve, modify, or reject the request. Approval or modification by the board shall take place after review by the appropriate state agency. A modification may include but is not limited to establishing different compliance or reporting requirements, timetables, or exemptions in the zone for a business or an individual, to the extent that the modification does not adversely affect health (including environment health), safety, employment rights, or civil rights. An approval or a modification of a state rule by the board takes effect upon the approval of the governor. In no case are the provisions of IC 22-2-2 and IC 22-7-1-2 mitigated by this chapter.

SECTION 4. IC 6-1.1-8-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. **(a)** Each year a public utility company shall file a statement concerning the value and description of the property which is either owned or used by the company on the assessment date of that year. The company shall file this statement with the department of local government finance ~~on the~~



1 ~~form in the manner~~ prescribed by the department. The department of  
 2 local government finance may extend the due date for a statement.  
 3 Unless the department of local government finance grants an extension,  
 4 a public utility company shall file its statement for a year:

- 5 (1) on or before March 1st of that year unless the company is a
- 6 railroad car company; or
- 7 (2) on or before ~~May~~ **June** 1st of that year if the company is a
- 8 railroad car company.

9 **If the department grants an extension to a railroad car company,**  
 10 **the extension may not exceed thirty (30) days.**

11 **(b) A public utility company may, not later than sixty (60) days**  
 12 **after filing a valid and timely statement under subsection (a), file**  
 13 **an amended statement:**

- 14 **(1) for distribution purposes;**
- 15 **(2) to correct errors; or**
- 16 **(3) for any other reason, except:**
  - 17 **(A) obsolescence; or**
  - 18 **(B) the credit to the electric rail service fund established by**
  - 19 **IC 8-3-1.5-20.6.**

20 SECTION 5. IC 6-1.1-8-20 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20. (a) If a public utility  
 22 company does not file a statement with the department of local  
 23 government finance on or before the date prescribed under section 19  
 24 of this chapter, the company shall pay a penalty of one hundred dollars  
 25 (\$100) per day for each day that the statement is late. **However, a**  
 26 **penalty under this subsection may not exceed one thousand dollars**  
 27 **(\$1,000).**

28 (b) The department of local government finance shall notify the  
 29 attorney general if a public utility company fails to file a statement on  
 30 or before the due date. The attorney general shall then bring an action  
 31 in the name of this state to collect the penalty due under this section.

32 (c) The state auditor shall deposit amounts collected under this  
 33 section in the state treasury for credit to the state general fund.

34 SECTION 6. IC 6-1.1-8-22 IS AMENDED TO READ AS  
 35 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 22. **(a)** The department  
 36 of local government finance shall assess the property of a public utility  
 37 company based upon the information available to the department if the  
 38 company:

- 39 (1) does not file a statement which is required under section 19 of
- 40 this chapter;
- 41 (2) does not permit the department to examine the company's
- 42 property, books, or records; or



(3) does not comply with a summons issued by the department.  
~~An assessment which is made by the department of local government finance under this section is final unless the company establishes that the department committed actual fraud in making the assessment.~~

**(b) A public utility company may provide the department with a statement under section 19 of this chapter not later than one (1) year after the department makes the department's assessment under this section. If a public utility company does so, the department may amend the assessment it makes under this section in reliance on the public utility company's statement filed under this subsection.**

SECTION 7. IC 6-1.1-11-4, AS AMENDED BY P.L.173-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. (a) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the United States, the state, an agency of this state, or a political subdivision (as defined in IC 36-1-2-13). However, this subsection applies only when the property is used, and in the case of real property occupied, by the owner.

(b) The exemption application referred to in section 3 of this chapter is not required if the exempt property is a cemetery:

(1) described by IC 6-1.1-2-7; or

(2) maintained by a township executive under IC 23-14-68.

(c) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the bureau of motor vehicles commission established under IC 9-15-1.

(d) The exemption application referred to in section 3 or 3.5 of this chapter is not required if:

(1) the exempt property is:

(A) tangible property used for religious purposes described in IC 6-1.1-10-21;

(B) tangible property owned by a church or religious society used for educational purposes described in IC 6-1.1-10-16;

(C) other tangible property owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes described in IC 6-1.1-10-16; or

(D) other tangible property owned by a fraternity or sorority (as defined in IC 6-1.1-10-24).

(2) the exemption application referred to in section 3 or 3.5 of this chapter was filed properly at least once for a religious use under IC 6-1.1-10-21, an educational, literary, scientific, religious, or charitable use under IC 6-1.1-10-16, or use by a fraternity or





sorority under IC 6-1.1-10-24; and

(3) the property continues to meet the requirements for an exemption under IC 6-1.1-10-16, IC 6-1.1-10-21, or IC 6-1.1-10-24.

A change in ownership of property does not terminate an exemption of the property if after the change in ownership the property continues to meet the requirements for an exemption under IC 6-1.1-10-16, IC 6-1.1-10-21, or IC 6-1.1-10-24. However, if title to any of the real property subject to the exemption changes or any of the tangible property subject to the exemption is used for a nonexempt purpose after the date of the last properly filed exemption application, the person that obtained the exemption or the current owner of the property shall notify the county assessor for the county where the tangible property is located of the change in the year that the change occurs. The notice must be in the form prescribed by the department of local government finance. If the county assessor discovers that title to property granted an exemption described in IC 6-1.1-10-16, IC 6-1.1-10-21, or IC 6-1.1-10-24 has changed, the county assessor shall notify the persons entitled to a tax statement under IC 6-1.1-22-8.1 for the property of the change in title and indicate that the county auditor will suspend the exemption for the property until the persons provide the county assessor with an affidavit, signed under penalties of perjury, that identifies the new owners of the property and indicates that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21, IC 6-1.1-10-16, or IC 6-1.1-10-24. Upon receipt of the affidavit, the county assessor shall reinstate the exemption for the years for which the exemption was suspended and each year thereafter that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21, IC 6-1.1-10-16, or IC 6-1.1-10-24.

(e) If, after an assessment date, an exempt property is transferred or its use is changed resulting in its ineligibility for an exemption under IC 6-1.1-10, the county assessor shall terminate the exemption for that assessment date. However, if the property remains eligible for an exemption under IC 6-1.1-10 following the transfer or change in use, the exemption shall be left in place for that assessment date. For the following assessment date, the person that obtained the exemption or the current owner of the property, as applicable, shall, under section 3 of this chapter and except as provided under section 4 of this chapter, file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. In all cases, the person that obtained the exemption or the current owner of the



property shall notify the county assessor for the county where the tangible property is located of the change in ownership or use in the year that the change occurs. The notice must be in the form prescribed by the department of local government finance.

(f) If the county assessor discovers that title to or use of property granted an exemption under IC 6-1.1-10 has changed, the county assessor shall notify the persons entitled to a tax statement under IC 6-1.1-22-8.1 for the property of the change in title or use and indicate that the county auditor will suspend the exemption for the property until the persons provide the county assessor with an affidavit, signed under penalties of perjury, that identifies the new owners or use of the property and indicates whether the property continues to meet the requirements for an exemption under IC 6-1.1-10. Upon receipt of the affidavit, the county assessor shall reinstate the exemption under IC 6-1.1-15-12. However, a claim under IC 6-1.1-26-1 for a refund of all or a part of a tax installment paid and any correction of error under IC 6-1.1-15-12 must be filed not later than three (3) years after the taxes are first due.

SECTION 8. IC 6-1.1-12-10.1, AS AMENDED BY P.L.144-2008, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 10.1. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by section 9 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is located. With respect to real property, the statement must be ~~filed during the year for which the individual wishes to obtain the deduction.~~ **completed and dated in the calendar year for which the individual wishes to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year.** With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement referred to in subsection (a) shall be in affidavit form or require verification under penalties of perjury. The statement must be filed in duplicate if the applicant owns, or is buying under a contract, real property, a mobile home, or a manufactured home subject to assessment in more than one (1) county or in more than one (1)



1 taxing district in the same county. The statement shall contain:

- 2 (1) the source and exact amount of gross income received by the
- 3 individual and the individual's spouse during the preceding
- 4 calendar year;
- 5 (2) the description and assessed value of the real property, mobile
- 6 home, or manufactured home;
- 7 (3) the individual's full name and complete residence address;
- 8 (4) the record number and page where the contract or
- 9 memorandum of the contract is recorded if the individual is
- 10 buying the real property, mobile home, or manufactured home on
- 11 contract; and
- 12 (5) any additional information which the department of local
- 13 government finance may require.

14 (c) In order to substantiate the deduction statement, the applicant  
 15 shall submit for inspection by the county auditor a copy of the  
 16 applicant's and a copy of the applicant's spouse's income tax returns for  
 17 the preceding calendar year. If either was not required to file an income  
 18 tax return, the applicant shall subscribe to that fact in the deduction  
 19 statement.

20 SECTION 9. IC 6-1.1-12-12, AS AMENDED BY P.L.1-2009,  
 21 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 22 JULY 1, 2014]: Sec. 12. (a) Except as provided in section 17.8 of this  
 23 chapter and subject to section 45 of this chapter, a person who desires  
 24 to claim the deduction provided in section 11 of this chapter must file  
 25 an application, on forms prescribed by the department of local  
 26 government finance, with the auditor of the county in which the real  
 27 property, mobile home not assessed as real property, or manufactured  
 28 home not assessed as real property is located. With respect to real  
 29 property, the application must be ~~filed during the year for which the~~  
 30 ~~individual wishes to obtain the deduction:~~ **completed and dated in the**  
 31 **calendar year for which the person wishes to obtain the deduction**  
 32 **and filed with the county auditor on or before January 5 of the**  
 33 **immediately succeeding calendar year.** With respect to a mobile  
 34 home that is not assessed as real property or a manufactured home that  
 35 is not assessed as real property, the application must be filed during the  
 36 twelve (12) months before March 31 of each year for which the  
 37 individual wishes to obtain the deduction. The application may be filed  
 38 in person or by mail. If mailed, the mailing must be postmarked on or  
 39 before the last day for filing.

40 (b) Proof of blindness may be supported by:

- 41 (1) the records of the division of family resources or the division
- 42 of disability and rehabilitative services; or



(2) the written statement of a physician who is licensed by this state and skilled in the diseases of the eye or of a licensed optometrist.

(c) The application required by this section must contain the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home.

SECTION 10. IC 6-1.1-12-15, AS AMENDED BY P.L.293-2013(ts), SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by section 13 or 14 of this chapter must file a statement with the auditor of the county in which the individual resides. With respect to real property, the statement must be ~~filed during the year for which the individual wishes to obtain the deduction.~~ **completed and dated in the calendar year for which the individual wishes to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year.** With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain a sworn declaration that the individual is entitled to the deduction.

(b) In addition to the statement, the individual shall submit to the county auditor for the auditor's inspection:

(1) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 13 of this chapter;

(2) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

(3) the appropriate certificate of eligibility issued to the individual by the Indiana department of veterans' affairs if the individual claims the deduction provided by section 13 or 14 of this chapter.

(c) If the individual claiming the deduction is under guardianship, the guardian shall file the statement required by this section. If a



deceased veteran's surviving spouse is claiming the deduction, the surviving spouse shall provide the documentation necessary to establish that at the time of death the deceased veteran satisfied the requirements of section 13(a)(1) through 13(a)(4) of this chapter or section 14(a)(1) through 14(a)(4) of this chapter, whichever applies.

(d) If the individual claiming a deduction under section 13 or 14 of this chapter is buying real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property under a contract that provides that the individual is to pay property taxes for the real estate, mobile home, or manufactured home, the statement required by this section must contain the record number and page where the contract or memorandum of the contract is recorded.

SECTION 11. IC 6-1.1-12-17, AS AMENDED BY P.L.144-2008, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17. Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which the surviving spouse resides. With respect to real property, the statement must be ~~filed during the year for which the surviving spouse wishes to obtain the deduction.~~ **completed and dated in the calendar year for which the person wishes to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year.** With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain:

(1) a sworn statement that the surviving spouse is entitled to the deduction; and

(2) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property on a contract that provides that the individual is to pay property taxes on the real property.

In addition to the statement, the surviving spouse shall submit to the county auditor for the auditor's inspection a letter or certificate from the United States Department of Veterans Affairs establishing the service of the deceased spouse in the military or naval forces of the United States before November 12, 1918.

SECTION 12. IC 6-1.1-12-17.5, AS AMENDED BY P.L.144-2008,



SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17.5. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a veteran who desires to claim the deduction provided in section 17.4 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is assessed. With respect to real property, the veteran must ~~file the statement during the year for which the veteran wishes to obtain the deduction.~~ **complete and date the statement in the calendar year for which the veteran wishes to obtain the deduction and file the statement with the county auditor on or before January 5 of the immediately succeeding calendar year.** With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement required under this section shall be in affidavit form or require verification under penalties of perjury. The statement shall be filed in duplicate if the veteran has, or is buying under a contract, real property in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

- (1) a description and the assessed value of the real property, mobile home, or manufactured home;
- (2) the veteran's full name and complete residence address;
- (3) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home; and
- (4) any additional information which the department of local government finance may require.

SECTION 13. IC 6-1.1-12-27.1, AS AMENDED BY P.L.137-2012, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 27.1. Except as provided in sections 36 and 44 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided by section 26 or 26.1 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, manufactured home,



or solar power device is subject to assessment. With respect to real property or a solar power device that is assessed as distributable property under IC 6-1.1-8 or as personal property, the person must ~~file the statement during the year for which the person desires to obtain the deduction.~~ **complete and date the certified statement in the calendar year for which the person wishes to obtain the deduction and file the certified statement with the county auditor on or before January 5 of the immediately succeeding calendar year.** Except as provided in sections 36 and 44 of this chapter and subject to section 45 of this chapter, with respect to a mobile home which is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. The person must:

- (1) own the real property, mobile home, or manufactured home or own the solar power device;
- (2) be buying the real property, mobile home, manufactured home, or solar power device under contract; or
- (3) be leasing the real property from the real property owner and be subject to assessment and property taxation with respect to the solar power device;

on the date the statement is filed under this section. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the real property, mobile home, manufactured home, or solar power device is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction.

SECTION 14. IC 6-1.1-12-30, AS AMENDED BY P.L.1-2009, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 30. Except as provided in sections 36 and 44 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided by section 29 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must ~~file the statement during the year for which the person desires to obtain the deduction.~~ **complete and date the statement in the calendar year for which the person desires to obtain the deduction and file the statement with the county auditor on or before January 5 of the immediately succeeding calendar year.** With respect to a mobile home which is not assessed as real property, the person must file the statement during the



twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. The person must:

- (1) own the real property, mobile home, or manufactured home;
- or
- (2) be buying the real property, mobile home, or manufactured home under contract;

on the date the statement is filed under this section. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction.

SECTION 15. IC 6-1.1-12-35.5, AS AMENDED BY P.L.1-2009, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 35.5. (a) Except as provided in section 36 or 44 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided by section 31, 33, 34, or 34.5 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance and proof of certification under subsection (b) or (f) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must ~~file the statement during the year for which the person wishes to obtain the deduction. The person must file the statement in each year for which the person desires to obtain the deduction.~~ **complete and date the certified statement in the calendar year for which the person wishes to obtain the deduction and file the certified statement with the county auditor on or before January 5 of the immediately succeeding calendar year.** With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction.

(b) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that





1 a system or device qualifies for a deduction, it shall certify the system  
 2 or device and provide proof of the certification to the property owner.  
 3 The department shall prescribe the form and manner of the certification  
 4 process required by this subsection.

5 (c) This subsection does not apply to an application for a deduction  
 6 under section 34.5 of this chapter. If the department of environmental  
 7 management receives an application for certification, the department  
 8 shall determine whether the system or device qualifies for a deduction.  
 9 If the department fails to make a determination under this subsection  
 10 before December 31 of the year in which the application is received,  
 11 the system or device is considered certified.

12 (d) A denial of a deduction claimed under section 31, 33, 34, or 34.5  
 13 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal  
 14 is limited to a review of a determination made by the township assessor  
 15 county property tax assessment board of appeals, or department of local  
 16 government finance.

17 (e) A person who timely files a personal property return under  
 18 IC 6-1.1-3-7(a) for an assessment year and who desires to claim the  
 19 deduction provided in section 31 of this chapter for property that is not  
 20 assessed under IC 6-1.1-7 must file the statement described in  
 21 subsection (a) during the year in which the personal property return is  
 22 filed.

23 (f) This subsection applies only to an application for a deduction  
 24 under section 34.5 of this chapter. The center for coal technology  
 25 research established by IC 21-47-4-1, upon receiving an application  
 26 from the owner of a building, shall determine whether the building  
 27 qualifies for a deduction under section 34.5 of this chapter. If the center  
 28 determines that a building qualifies for a deduction, the center shall  
 29 certify the building and provide proof of the certification to the owner  
 30 of the building. The center shall prescribe the form and procedure for  
 31 certification of buildings under this subsection. If the center receives  
 32 an application for certification of a building under section 34.5 of this  
 33 chapter:

34 (1) the center shall determine whether the building qualifies for  
 35 a deduction; and

36 (2) if the center fails to make a determination before December 31  
 37 of the year in which the application is received, the building is  
 38 considered certified.

39 SECTION 16. IC 6-1.1-12-37, AS AMENDED BY P.L.288-2013,  
 40 SECTION 3, AND AS AMENDED BY P.L.203-2013, SECTION 4, IS  
 41 CORRECTED AND AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2014]: Sec. 37. (a) The following definitions



1 apply throughout this section:

2 (1) "Dwelling" means any of the following:

3 (A) Residential real property improvements that an individual  
4 uses as the individual's residence, including a house or garage.

5 (B) A mobile home that is not assessed as real property that an  
6 individual uses as the individual's residence.

7 (C) A manufactured home that is not assessed as real property  
8 that an individual uses as the individual's residence.

9 (2) "Homestead" means an individual's principal place of  
10 residence:

11 (A) that is located in Indiana;

12 (B) that:

13 (i) the individual owns;

14 (ii) the individual is buying under a contract; recorded in the  
15 county recorder's office, that provides that the individual is  
16 to pay the property taxes on the residence;

17 (iii) the individual is entitled to occupy as a  
18 tenant-stockholder (as defined in 26 U.S.C. 216) of a  
19 cooperative housing corporation (as defined in 26 U.S.C.  
20 216); or

21 (iv) is a residence described in section 17.9 of this chapter  
22 that is owned by a trust if the individual is an individual  
23 described in section 17.9 of this chapter; and

24 (C) that consists of a dwelling and the real estate, not  
25 exceeding one (1) acre, that immediately surrounds that  
26 dwelling.

27 Except as provided in subsection (k), the term does not include  
28 property owned by a corporation, partnership, limited liability  
29 company, or other entity not described in this subdivision.

30 (b) Each year a homestead is eligible for a standard deduction from  
31 the assessed value of the homestead for an assessment date. *Except as*  
32 *provided in subsection (p)*, the deduction provided by this section  
33 applies to property taxes first due and payable for an assessment date  
34 only if an individual has an interest in the homestead described in  
35 subsection (a)(2)(B) on:

36 (1) the assessment date; or

37 (2) any date in the same year after an assessment date that a  
38 statement is filed under subsection (e) or section 44 of this  
39 chapter, if the property consists of real property.

40 Subject to subsection (c), the auditor of the county shall record and  
41 make the deduction for the individual or entity qualifying for the  
42 deduction.



(c) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

- (1) sixty percent (60%) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or
- (2) forty-five thousand dollars (\$45,000).

(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(e) Except as provided in sections 17.8 and 44 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include:

- (1) the parcel number or key number of the property and the name of the city, town, or township in which the property is located;
- (2) the name of any other location in which the applicant or the applicant's spouse owns, is buying, or has a beneficial interest in residential real property;
- (3) the names of:

(A) the applicant and the applicant's spouse (if any):

- (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or

- (ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is an individual; or

(B) each individual who qualifies property as a homestead under subsection (a)(2)(B) and the individual's spouse (if any):

- (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or

- (ii) that they use as their legal names when they sign their names on legal documents;



- 1 if the applicant is not an individual; and  
 2 (4) either:  
 3 (A) the last five (5) digits of the applicant's Social Security  
 4 number and the last five (5) digits of the Social Security  
 5 number of the applicant's spouse (if any); or  
 6 (B) if the applicant or the applicant's spouse (if any) ~~do~~ **does**  
 7 not have a Social Security number, any of the following for  
 8 that individual:  
 9 (i) The last five (5) digits of the individual's driver's license  
 10 number.  
 11 (ii) The last five (5) digits of the individual's state  
 12 identification card number.  
 13 (iii) If the individual does not have a driver's license or a  
 14 state identification card, the last five (5) digits of a control  
 15 number that is on a document issued to the individual by the  
 16 federal government and determined by the department of  
 17 local government finance to be acceptable.
- 18 If a form or statement provided to the county auditor under this section,  
 19 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or  
 20 part or all of the Social Security number of a party or other number  
 21 described in subdivision (4)(B) of a party, the telephone number and  
 22 the Social Security number or other number described in subdivision  
 23 (4)(B) included are confidential. The statement may be filed in person  
 24 or by mail. If the statement is mailed, the mailing must be postmarked  
 25 on or before the last day for filing. The statement applies for that first  
 26 year and any succeeding year for which the deduction is allowed. With  
 27 respect to real property, the statement must be completed and dated in  
 28 the calendar year for which the person desires to obtain the deduction  
 29 and filed with the county auditor on or before January 5 of the  
 30 immediately succeeding calendar year. With respect to a mobile home  
 31 that is not assessed as real property, the person must file the statement  
 32 during the twelve (12) months before March 31 of the year for which  
 33 the person desires to obtain the deduction.
- 34 (f) If an individual who is receiving the deduction provided by this  
 35 section or who otherwise qualifies property for a deduction under this  
 36 section:  
 37 (1) changes the use of the individual's property so that part or all  
 38 of the property no longer qualifies for the deduction under this  
 39 section; or  
 40 (2) is no longer eligible for a deduction under this section on  
 41 another parcel of property because:  
 42 (A) the individual would otherwise receive the benefit of more



- 1           than one (1) deduction under this chapter; or  
 2           (B) the individual maintains the individual's principal place of  
 3           residence with another individual who receives a deduction  
 4           under this section;  
 5       the individual must file a certified statement with the auditor of the  
 6       county, notifying the auditor of the change of use, not more than sixty  
 7       (60) days after the date of that change. An individual who fails to file  
 8       the statement required by this subsection is liable for any additional  
 9       taxes that would have been due on the property if the individual had  
 10      filed the statement as required by this subsection plus a civil penalty  
 11      equal to ten percent (10%) of the additional taxes due. The civil penalty  
 12      imposed under this subsection is in addition to any interest and  
 13      penalties for a delinquent payment that might otherwise be due. One  
 14      percent (1%) of the total civil penalty collected under this subsection  
 15      shall be transferred by the county to the department of local  
 16      government finance for use by the department in establishing and  
 17      maintaining the homestead property data base under subsection (i) and,  
 18      to the extent there is money remaining, for any other purposes of the  
 19      department. This amount becomes part of the property tax liability for  
 20      purposes of this article.
- 21      (g) The department of local government finance shall adopt rules or  
 22      guidelines concerning the application for a deduction under this  
 23      section.
- 24      (h) This subsection does not apply to property in the first year for  
 25      which a deduction is claimed under this section if the sole reason that  
 26      a deduction is claimed on other property is that the individual or  
 27      married couple maintained a principal residence at the other property  
 28      on March 1 in the same year in which an application for a deduction is  
 29      filed under this section or, if the application is for a homestead that is  
 30      assessed as personal property, on March 1 in the immediately  
 31      preceding year and the individual or married couple is moving the  
 32      individual's or married couple's principal residence to the property that  
 33      is the subject of the application. Except as provided in subsection (n),  
 34      the county auditor may not grant an individual or a married couple a  
 35      deduction under this section if:
- 36           (1) the individual or married couple, for the same year, claims the  
 37           deduction on two (2) or more different applications for the  
 38           deduction; and  
 39           (2) the applications claim the deduction for different property.
- 40      (i) The department of local government finance shall provide secure  
 41      access to county auditors to a homestead property data base that  
 42      includes access to the homestead owner's name and the numbers



1 required from the homestead owner under subsection (e)(4) for the sole  
 2 purpose of verifying whether an owner is wrongly claiming a deduction  
 3 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or  
 4 IC 6-3.5.

5 (j) A county auditor may require an individual to provide evidence  
 6 proving that the individual's residence is the individual's principal place  
 7 of residence as claimed in the certified statement filed under subsection  
 8 (e). The county auditor may limit the evidence that an individual is  
 9 required to submit to a state income tax return, a valid driver's license,  
 10 or a valid voter registration card showing that the residence for which  
 11 the deduction is claimed is the individual's principal place of residence.  
 12 The department of local government finance shall work with county  
 13 auditors to develop procedures to determine whether a property owner  
 14 that is claiming a standard deduction or homestead credit is not eligible  
 15 for the standard deduction or homestead credit because the property  
 16 owner's principal place of residence is outside Indiana.

17 (k) As used in this section, "homestead" includes property that  
 18 satisfies each of the following requirements:

19 (1) The property is located in Indiana and consists of a dwelling  
 20 and the real estate, not exceeding one (1) acre, that immediately  
 21 surrounds that dwelling.

22 (2) The property is the principal place of residence of an  
 23 individual.

24 (3) The property is owned by an entity that is not described in  
 25 subsection (a)(2)(B).

26 (4) The individual residing on the property is a shareholder,  
 27 partner, or member of the entity that owns the property.

28 (5) The property was eligible for the standard deduction under  
 29 this section on March 1, 2009.

30 (l) If a county auditor terminates a deduction for property described  
 31 in subsection (k) with respect to property taxes that are:

32 (1) imposed for an assessment date in 2009; and

33 (2) first due and payable in 2010;

34 on the grounds that the property is not owned by an entity described in  
 35 subsection (a)(2)(B), the county auditor shall reinstate the deduction if  
 36 the taxpayer provides proof that the property is eligible for the  
 37 deduction in accordance with subsection (k) and that the individual  
 38 residing on the property is not claiming the deduction for any other  
 39 property.

40 (m) For ~~assessments~~ *assessment* dates after 2009, the term  
 41 "homestead" includes:

42 (1) a deck or patio;



1 (2) a gazebo; or  
 2 (3) another residential yard structure, as defined in rules adopted  
 3 by the department of local government finance (other than a  
 4 swimming pool);  
 5 that is assessed as real property and attached to the dwelling.

6 (n) A county auditor shall grant an individual a deduction under this  
 7 section regardless of whether the individual and the individual's spouse  
 8 claim a deduction on two (2) different applications and each  
 9 application claims a deduction for different property if the property  
 10 owned by the individual's spouse is located outside Indiana and the  
 11 individual files an affidavit with the county auditor containing the  
 12 following information:

13 (1) The names of the county and state in which the individual's  
 14 spouse claims a deduction substantially similar to the deduction  
 15 allowed by this section.

16 (2) A statement made under penalty of perjury that the following  
 17 are true:

18 (A) That the individual and the individual's spouse maintain  
 19 separate principal places of residence.

20 (B) That neither the individual nor the individual's spouse has  
 21 an ownership interest in the other's principal place of  
 22 residence.

23 (C) That neither the individual nor the individual's spouse has,  
 24 for that same year, claimed a standard or substantially similar  
 25 deduction for any property other than the property maintained  
 26 as a principal place of residence by the respective individuals.

27 A county auditor may require an individual or an individual's spouse to  
 28 provide evidence of the accuracy of the information contained in an  
 29 affidavit submitted under this subsection. The evidence required of the  
 30 individual or the individual's spouse may include state income tax  
 31 returns, excise tax payment information, property tax payment  
 32 information, driver license information, and voter registration  
 33 information.

34 (o) If:

35 (1) a property owner files a statement under subsection (e) to  
 36 claim the deduction provided by this section for a particular  
 37 property; and

38 (2) the county auditor receiving the filed statement determines  
 39 that the property owner's property is not eligible for the deduction;  
 40 the county auditor shall inform the property owner of the county  
 41 auditor's determination in writing. If a property owner's property is not  
 42 eligible for the deduction because the county auditor has determined



that the property is not the property owner's principal place of residence, the property owner may appeal the county auditor's determination to the county property tax assessment board of appeals as provided in IC 6-1.1-15. The county auditor shall inform the property owner of the owner's right to appeal to the county property tax assessment board of appeals when the county auditor informs the property owner of the county auditor's determination under this subsection.

*(p) An individual is entitled to the deduction under this section for a homestead for a particular assessment date if:*

*(1) either:*

*(A) the individual's interest in the homestead as described in subsection (a)(2)(B) is conveyed to the individual after the assessment date, but within the calendar year in which the assessment date occurs; or*

*(B) the individual contracts to purchase the homestead after the assessment date, but within the calendar year in which the assessment date occurs;*

*(2) on the assessment date:*

*(A) the property on which the homestead is currently located was vacant land; or*

*(B) the construction of the dwelling that constitutes the homestead was not completed;*

*(3) either:*

*(A) the individual ~~files~~ **completes** the certified statement required by subsection (e) on or before December 31 of the calendar year in which the assessment date occurs ~~to claim the deduction under this section;~~ and **files the certified statement with the county auditor on or before January 5 of the immediately succeeding calendar year; or***

*(B) a sales disclosure form that meets the requirements of section 44 of this chapter is submitted to the county assessor on or before ~~December 31~~ **January 5** of the calendar year ~~for immediately succeeding~~ the individual's purchase of the homestead; and*

*(4) the individual files with the county auditor on or before ~~December 31~~ **January 5** of the calendar year **immediately succeeding the calendar year** in which the assessment date occurs a statement that:*

*(A) lists any other property for which the individual would otherwise receive a deduction under this section for the assessment date; and*





1           (B) cancels the deduction described in clause (A) for that  
2           property.

3           An individual who satisfies the requirements of subdivisions (1)  
4           through (4) is entitled to the deduction under this section for the  
5           homestead for the assessment date, even if on the assessment date the  
6           property on which the homestead is currently located was vacant land  
7           or the construction of the dwelling that constitutes the homestead was  
8           not completed. The county auditor shall apply the deduction for the  
9           assessment date and for the assessment date in any later year in which  
10          the homestead remains eligible for the deduction. A homestead that  
11          qualifies for the deduction under this section as provided in this  
12          subsection is considered a homestead for purposes of section 37.5 of  
13          this chapter and IC 6-1.1-20.6. The county auditor shall cancel the  
14          deduction under this section for any property that is located in the  
15          county and is listed on the statement filed by the individual under  
16          subdivision (4). If the property listed on the statement filed under  
17          subdivision (4) is located in another county, the county auditor who  
18          receives the statement shall forward the statement to the county  
19          auditor of that other county, and the county auditor of that other  
20          county shall cancel the deduction under this section for that property.

21          ~~(p)~~ (q) This subsection applies to an application for the deduction  
22          provided by this section that is filed for an assessment date occurring  
23          after December 31, 2013. Notwithstanding any other provision of this  
24          section, an individual buying a mobile home that is not assessed as  
25          real property or a manufactured home that is not assessed as real  
26          property under a contract providing that the individual is to pay the  
27          property taxes on the mobile home or manufactured home is not  
28          entitled to the deduction provided by this section unless the parties to  
29          the contract comply with IC 9-17-6-17.

30          ~~(q)~~ (r) This subsection:

31               (1) applies to an application for the deduction provided by this  
32               section that is filed for an assessment date occurring after  
33               December 31, 2013; and

34               (2) does not apply to an individual described in subsection ~~(p)~~  
35               (q).

36          The owner of a mobile home that is not assessed as real property or a  
37          manufactured home that is not assessed as real property must attach  
38          a copy of the owner's title to the mobile home or manufactured home  
39          to the application for the deduction provided by this section.

40          SECTION 17. IC 6-1.1-12-38, AS AMENDED BY P.L.1-2009,  
41          SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42          JULY 1, 2014]: Sec. 38. (a) A person is entitled to a deduction from the



1 assessed value of the person's property in an amount equal to the  
2 difference between:

3 (1) the assessed value of the person's property, including the  
4 assessed value of the improvements made to comply with the  
5 fertilizer storage rules adopted by the state chemist under  
6 IC 15-16-2-44 and the pesticide storage rules adopted by the state  
7 chemist under IC 15-16-4-52; minus

8 (2) the assessed value of the person's property, excluding the  
9 assessed value of the improvements made to comply with the  
10 fertilizer storage rules adopted by the state chemist under  
11 IC 15-16-2-44 and the pesticide storage rules adopted by the state  
12 chemist under IC 15-16-4-52.

13 (b) To obtain the deduction under this section, a person must file a  
14 certified statement in duplicate, on forms prescribed by the department  
15 of local government finance, with the auditor of the county in which the  
16 property is subject to assessment. In addition to the certified statement,  
17 the person must file a certification by the state chemist listing the  
18 improvements that were made to comply with the fertilizer storage  
19 rules adopted under IC 15-16-2-44 and the pesticide storage rules  
20 adopted by the state chemist under IC 15-16-4-52. Subject to section  
21 45 of this chapter, the statement and certification ~~must be filed during~~  
22 ~~the year preceding the year the deduction will first be applied.~~ **must be**  
23 **completed and dated in the calendar year for which the person**  
24 **wishes to obtain the deduction, and the statement and certification**  
25 **must be filed with the county auditor on or before January 5 of the**  
26 **immediately succeeding calendar year.** Upon the verification of the  
27 statement and certification by the assessor of the township in which the  
28 property is subject to assessment, or the county assessor if there is no  
29 township assessor for the township, the county auditor shall allow the  
30 deduction.

31 (c) The deduction provided by this section applies only if the  
32 person:

33 (1) owns the property; or

34 (2) is buying the property under contract;

35 on the assessment date for which the deduction applies.

36 SECTION 18. IC 6-1.1-12-45, AS ADDED BY P.L.144-2008,  
37 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JULY 1, 2014]: Sec. 45. (a) Subject to subsections (b) and (c), a  
39 deduction under this chapter applies for an assessment date and for the  
40 property taxes due and payable based on the assessment for that  
41 assessment date, regardless of whether with respect to the real property  
42 or mobile home or manufactured home not assessed as real property:



(1) the title is conveyed one (1) or more times; or  
 (2) one (1) or more contracts to purchase are entered into;  
 after that assessment date and on or before the next succeeding  
 assessment date.

(b) Subsection (a) applies:

(1) only if the title holder or the contract buyer on that next  
 succeeding assessment date is eligible for the deduction for that  
 next succeeding assessment date; and

(2) regardless of whether:

(A) one (1) or more grantees of title under subsection (a)(1);

or

(B) one (1) or more contract purchasers under subsection

(a)(2);

files a statement under this chapter to claim the deduction.

(c) A deduction applies under subsection (a) for only one (1) year.  
 The requirements of this chapter for filing a statement to apply for a  
 deduction under this chapter apply to subsequent years.

(d) If:

(1) a statement is filed under this chapter **in on or before**  
**January 5 of** a calendar year to claim a deduction under this  
 chapter with respect to real property; and

(2) the eligibility criteria for the deduction are met;

the deduction applies for the assessment date in ~~that~~ **the preceding**  
 calendar year and for the property taxes due and payable based on the  
 assessment for that assessment date.

(e) If:

(1) a statement is filed under this chapter in a twelve (12) month  
 filing period designated under this chapter to claim a deduction  
 under this chapter with respect to a mobile home or a  
 manufactured home not assessed as real property; and

(2) the eligibility criteria for the deduction are met;

the deduction applies for the assessment date in that twelve (12) month  
 period and for the property taxes due and payable based on the  
 assessment for that assessment date.

SECTION 19. IC 6-1.1-12.6-3, AS ADDED BY P.L.70-2008,  
 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 JULY 1, 2014]: Sec. 3. (a) A property owner that qualifies for the  
 deduction under this chapter **and that desires to receive the**  
**deduction** must file a statement containing the information required by  
 subsection (b) with the county auditor to claim the deduction for each  
 assessment date for which the property owner wishes to receive the  
 deduction complete and date a statement containing the



1 **information required by subsection (b) in the calendar year for**  
 2 **which the person desires to obtain the deduction and file the**  
 3 **statement with the county auditor on or before January 5 of the**  
 4 **immediately succeeding calendar year,** in the manner prescribed in  
 5 rules adopted under section 9 of this chapter. The township assessor  
 6 shall verify each statement filed under this section, and the county  
 7 auditor shall:

- 8 (1) make the deductions; and
- 9 (2) notify the county property tax assessment board of appeals of
- 10 all deductions approved;

11 under this section.

12 (b) The statement referred to in subsection (a) must be verified  
 13 under penalties for perjury and must contain the following information:

- 14 (1) The assessed value of the real property for which the person
- 15 is claiming the deduction.
- 16 (2) The full name and complete business address of the person
- 17 claiming the deduction.
- 18 (3) The complete address and a brief description of the real
- 19 property for which the person is claiming the deduction.
- 20 (4) The name of any other county in which the person has applied
- 21 for a deduction under this chapter for that assessment date.
- 22 (5) The complete address and a brief description of any other real
- 23 property for which the person has applied for a deduction under
- 24 this chapter for that assessment date.

25 SECTION 20. IC 6-1.1-12.8-4, AS ADDED BY P.L.175-2011,  
 26 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JULY 1, 2014]: Sec. 4. (a) A property owner that qualifies for the  
 28 deduction under this chapter **and that desires to receive the**  
 29 **deduction** must ~~file a statement containing the information required by~~  
 30 ~~subsection (b) with the county auditor to claim the deduction for each~~  
 31 ~~assessment date for which the property owner wishes to receive the~~  
 32 ~~deduction~~ **complete and date a statement containing the**  
 33 **information required by subsection (b) in the calendar year for**  
 34 **which the person desires to obtain the deduction and file the**  
 35 **statement with the county auditor on or before January 5 of the**  
 36 **immediately succeeding calendar year,** in the manner prescribed in  
 37 rules adopted under section 8 of this chapter. The township assessor,  
 38 or the county assessor if there is no township assessor for the township,  
 39 shall verify each statement filed under this section, and the county  
 40 auditor shall:

- 41 (1) make the deductions; and
- 42 (2) notify the county property tax assessment board of appeals of



1 all deductions approved;  
2 under this section.

3 (b) The statement referred to in subsection (a) must be verified  
4 under penalties for perjury and must contain the following information:

5 (1) The assessed value of the real property for which the person  
6 is claiming the deduction.

7 (2) The full name and complete business address of the person  
8 claiming the deduction.

9 (3) The complete address and a brief description of the real  
10 property for which the person is claiming the deduction.

11 (4) The name of any other county in which the person has applied  
12 for a deduction under this chapter for that assessment date.

13 (5) The complete address and a brief description of any other real  
14 property for which the person has applied for a deduction under  
15 this chapter for that assessment date.

16 (6) An affirmation by the owner that the owner is receiving not  
17 more than three (3) deductions under this chapter, including the  
18 deduction being applied for by the owner, either:

19 (A) as the owner of the residence in inventory; or

20 (B) as an owner that is part of an affiliated group.

21 (7) An affirmation that the real property has not been leased and  
22 will not be leased for any purpose during the term of the  
23 deduction.

24 SECTION 21. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011,  
25 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in  
27 subsections (c) and (d), a county auditor shall correct errors which are  
28 discovered in the tax duplicate for any one (1) or more of the following  
29 reasons:

30 (1) The description of the real property was in error.

31 (2) The assessment was against the wrong person.

32 (3) Taxes on the same property were charged more than one (1)  
33 time in the same year.

34 (4) There was a mathematical error in computing the taxes or  
35 penalties on the taxes.

36 (5) There was an error in carrying delinquent taxes forward from  
37 one (1) tax duplicate to another.

38 (6) The taxes, as a matter of law, were illegal.

39 (7) There was a mathematical error in computing an assessment.

40 (8) Through an error of omission by any state or county officer,  
41 the taxpayer was not given:

42 (A) the proper credit under IC 6-1.1-20.6-7.5 for property



taxes imposed for an assessment date after January 15, 2011;

(B) any other credit permitted by law;

(C) an exemption permitted by law; or

(D) a deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

(1) The township assessor (if any).

(2) The county auditor.

(3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.



(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

**(i) IC 6-1.1-26-1 applies to a tax refund based on a correction of error under this section.**

SECTION 22. IC 6-1.1-17-3, AS AMENDED BY P.L.137-2012, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision or appropriate fiscal body, if the political subdivision is subject to section 20 of this chapter, shall give notice by publication to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

The political subdivision or appropriate fiscal body shall also state the time and place at which the political subdivision or appropriate fiscal body will hold a public hearing on these items. The political subdivision or appropriate fiscal body shall ~~publish the notice twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. The first publication must be before September 14; and the second publication must be before September 21 of the year. The political subdivision shall pay for the publishing of the notice.~~ **submit this information to the department's computer gateway before September 14 of each year in the manner prescribed by the department. The department shall make this information available to taxpayers through its computer gateway and provide a telephone number through which taxpayers may request copies of a political subdivision's information under this subsection. The department's computer gateway must allow a taxpayer to search for the information under this subsection by the taxpayer's address.**

(b) For taxes due and payable in 2015 and 2016, each county shall publish a notice in accordance with IC 5-3-1 in two (2) newspapers published in the county stating the Internet address at which the information under subsection (a) is available and the



1 telephone number through which taxpayers may request copies of  
 2 a political subdivision's information under subsection (a). If only  
 3 one (1) newspaper is published in the county, publication in that  
 4 newspaper is sufficient. The department of local government  
 5 finance shall prescribe the notice. Notice under this subsection  
 6 shall be published before September 14. Counties may seek  
 7 reimbursement from the political subdivisions within their legal  
 8 boundaries for the cost of the notice required under this  
 9 subsection. The actions under this subsection shall be completed in  
 10 the manner prescribed by the department.

11 ~~(b)~~ (c) The board of directors of a solid waste management district  
 12 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may  
 13 conduct the public hearing required under subsection (a):

- 14 (1) in any county of the solid waste management district; and
- 15 (2) in accordance with the annual notice of meetings published
- 16 under IC 13-21-5-2.

17 ~~(c)~~ (d) The trustee of each township in the county shall estimate the  
 18 amount necessary to meet the cost of township assistance in the  
 19 township for the ensuing calendar year. The township board shall adopt  
 20 with the township budget a tax rate sufficient to meet the estimated cost  
 21 of township assistance. The taxes collected as a result of the tax rate  
 22 adopted under this subsection are credited to the township assistance  
 23 fund.

24 (e) A political subdivision for which any of the information  
 25 under subsection (a) is not submitted to the department's computer  
 26 gateway in the manner prescribed by the department shall have its  
 27 most recent annual appropriations and annual tax levy continued  
 28 for the ensuing budget year.

29 (f) If a political subdivision or appropriate fiscal body timely  
 30 submits the information under subsection (a) but subsequently  
 31 discovers the information contains a typographical error, the  
 32 political subdivision or appropriate fiscal body may request  
 33 permission from the department to submit amended information  
 34 to the department's computer gateway. However, such a request  
 35 must occur not later than seven (7) days before the public hearing  
 36 held under subsection (a). Acknowledgment of the correction of an  
 37 error shall be posted on the department's computer gateway and  
 38 communicated by the political subdivision or appropriate fiscal  
 39 body to the fiscal body of the county in which the political  
 40 subdivision and appropriate fiscal body are located.

41 SECTION 23. IC 6-1.1-17-16, AS AMENDED BY P.L.218-2013,  
 42 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE





JULY 1, 2014]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget by fund, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget by fund, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in section 16.1 of this chapter, the department of local government finance is not required to hold a public hearing before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget by fund, tax rate, or tax levy under this section.

(d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget by fund, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. However, if the department of local government finance determines that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the political subdivision, the maximum amount by which the department may increase the tax rate, tax levy, or budget is the amount originally fixed by the political subdivision, and not the amount that was incorrectly published or omitted in the notice described in IC 5-3-1-2.3(b). The department of local government finance shall give the political subdivision notification electronically in the manner prescribed by the department of local government finance specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has ten (10) calendar days from the date the political subdivision receives the notice to provide a response electronically in the manner prescribed by the department of local government finance. The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.

(e) The department of local government finance may not approve a



levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor;
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and
- (4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

- (1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.
- (2) If the department:
  - (A) acts under an appeal initiated by one (1) or more taxpayers under section 13 of this chapter; or
  - (B) fails to act on the appeal before the department certifies its action under subsection (f);
 a taxpayer who signed the statement filed to initiate the appeal.
- (3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.
- (4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15 of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance ~~may~~ **shall, unless the**



1 **department finds extenuating circumstances**, increase a political  
 2 subdivision's tax levy to an amount that exceeds the amount originally  
 3 **fixed advertised or adopted** by the political subdivision if:

4 (1) the increase is ~~(+)~~ requested in writing by the officers of the  
 5 political subdivision;

6 (2) ~~either: the requested increase is published on the~~  
 7 **department's advertising Internet web site; and**

8 ~~(A) based on information first obtained by the political~~  
 9 ~~subdivision after the public hearing under section 3 of this~~  
 10 ~~chapter; or~~

11 ~~(B) results from an inadvertent mathematical error made in~~  
 12 ~~determining the levy; and~~

13 (3) ~~published by the political subdivision according to a notice~~  
 14 ~~provided by the department: notice is given to the county fiscal~~  
 15 **body of the error and the department's correction.**

16 **If the department increases an adopted levy beyond what was**  
 17 **advertised or adopted under this subsection, it shall, unless the**  
 18 **department finds extenuating circumstances, reduce the adopted**  
 19 **levy for each fund affected below the maximum allowable levy by**  
 20 **the lesser of five percent (5%) of the difference between the**  
 21 **advertised or adopted levy and the increased levy, or one hundred**  
 22 **thousand dollars (\$100,000).**

23 (j) The department of local government finance shall annually  
 24 review the budget by fund of each school corporation not later than  
 25 April 1. The department of local government finance shall give the  
 26 school corporation written notification specifying any revision,  
 27 reduction, or increase the department proposes in the school  
 28 corporation's budget by fund. A public hearing is not required in  
 29 connection with this review of the budget.

30 SECTION 24. IC 6-1.1-18.5-13.7, AS ADDED BY P.L.172-2011,  
 31 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 2014]: Sec. 13.7. (a) Notwithstanding any other provision of  
 33 this chapter, Fairfield Township in Tippecanoe County may request  
 34 that the department of local government finance make an adjustment  
 35 to the township's maximum permissible property tax levy. ~~The request~~  
 36 ~~by the township under this section must be filed before September 1,~~  
 37 ~~2011.~~

38 (b) The amount of the requested adjustment may not exceed one  
 39 hundred thirty thousand dollars (\$130,000) for each year.

40 (c) ~~If the~~ **For a** township ~~makes that made~~ a request for an  
 41 adjustment in an amount not exceeding the limit prescribed by  
 42 subsection (b), the department of local government finance shall make



the adjustment ~~each year (beginning with property taxes first due and payable in 2012)~~ **a permanent adjustment** to the township's maximum permissible ad valorem property tax levy. ~~for the number of years requested by the township (but not to exceed a total of four (4) years):~~

(d) ~~This section expires July 1, 2016:~~

SECTION 25. IC 6-1.1-20-3.5, AS AMENDED BY P.L.218-2013, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, high school building, or other school building for academic instruction that:

- (i) will be used for any combination of kindergarten through grade 12; and
- (ii) will cost more than ten million dollars (\$10,000,000).

(B) Any other controlled project that:

- (i) is not a controlled project described in clause (A); and
- (ii) ~~will the cost of which paid by~~ **the cost of which paid by** the political subdivision **more than from bond proceeds will not exceed** the lesser of twelve million dollars (\$12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least one million dollars (\$1,000,000)).

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must make the



1 following information available to the public at the public hearing  
 2 on the preliminary determination, in addition to any other  
 3 information required by law:

4 (A) The result of the political subdivision's current and  
 5 projected annual debt service payments divided by the net  
 6 assessed value of taxable property within the political  
 7 subdivision.

8 (B) The result of:

9 (i) the sum of the political subdivision's outstanding long  
 10 term debt plus the outstanding long term debt of other taxing  
 11 units that include any of the territory of the political  
 12 subdivision; divided by

13 (ii) the net assessed value of taxable property within the  
 14 political subdivision.

15 (C) The information specified in subdivision (3)(A) through  
 16 (3)(G).

17 (2) If the proper officers of a political subdivision make a  
 18 preliminary determination to issue bonds or enter into a lease, the  
 19 officers shall give notice of the preliminary determination by:

20 (A) publication in accordance with IC 5-3-1; and

21 (B) first class mail to the circuit court clerk and to the  
 22 organizations described in subdivision (1).

23 (3) A notice under subdivision (2) of the preliminary  
 24 determination of the political subdivision to issue bonds or enter  
 25 into a lease must include the following information:

26 (A) The maximum term of the bonds or lease.

27 (B) The maximum principal amount of the bonds or the  
 28 maximum lease rental for the lease.

29 (C) The estimated interest rates that will be paid and the total  
 30 interest costs associated with the bonds or lease.

31 (D) The purpose of the bonds or lease.

32 (E) A statement that the proposed debt service or lease  
 33 payments must be approved in an election on a local public  
 34 question held under section 3.6 of this chapter.

35 (F) With respect to bonds issued or a lease entered into to  
 36 open:

37 (i) a new school facility; or

38 (ii) an existing facility that has not been used for at least  
 39 three (3) years and that is being reopened to provide  
 40 additional classroom space;

41 the estimated costs the school corporation expects to annually  
 42 incur to operate the facility.



- 1 (G) The political subdivision's current debt service levy and  
 2 rate and the estimated increase to the political subdivision's  
 3 debt service levy and rate that will result if the political  
 4 subdivision issues the bonds or enters into the lease.  
 5 (H) The information specified in subdivision (1)(A) through  
 6 (1)(B).  
 7 (4) After notice is given, a petition requesting the application of  
 8 the local public question process under section 3.6 of this chapter  
 9 may be filed by the lesser of:  
 10 (A) one hundred (100) persons who are either owners of  
 11 property within the political subdivision or registered voters  
 12 residing within the political subdivision; or  
 13 (B) five percent (5%) of the registered voters residing within  
 14 the political subdivision.  
 15 (5) The state board of accounts shall design and, upon request by  
 16 the county voter registration office, deliver to the county voter  
 17 registration office or the county voter registration office's  
 18 designated printer the petition forms to be used solely in the  
 19 petition process described in this section. The county voter  
 20 registration office shall issue to an owner or owners of property  
 21 within the political subdivision or a registered voter residing  
 22 within the political subdivision the number of petition forms  
 23 requested by the owner or owners or the registered voter. Each  
 24 form must be accompanied by instructions detailing the  
 25 requirements that:  
 26 (A) the carrier and signers must be owners of property or  
 27 registered voters;  
 28 (B) the carrier must be a signatory on at least one (1) petition;  
 29 (C) after the signatures have been collected, the carrier must  
 30 swear or affirm before a notary public that the carrier  
 31 witnessed each signature; and  
 32 (D) govern the closing date for the petition period.  
 33 Persons requesting forms may be required to identify themselves  
 34 as owners of property or registered voters and may be allowed to  
 35 pick up additional copies to distribute to other owners of property  
 36 or registered voters. Each person signing a petition must indicate  
 37 whether the person is signing the petition as a registered voter  
 38 within the political subdivision or is signing the petition as the  
 39 owner of property within the political subdivision. A person who  
 40 signs a petition as a registered voter must indicate the address at  
 41 which the person is registered to vote. A person who signs a  
 42 petition as an owner of property must indicate the address of the



property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least one hundred twenty-five (125) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least one hundred twenty-five (125) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least one hundred twenty-five (125) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8) (as applicable), shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except



as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property or a combination of those types of property within the political subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(11) If a sufficient petition requesting the local public question process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the





officers shall provide to the county auditor:

- (1) a copy of the notice required by subsection (b)(2); and
- (2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter.

SECTION 26. IC 6-1.1-20.6-4, AS AMENDED BY P.L.288-2013, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: Sec. 4. As used in this chapter, "residential property" refers to real property that consists of any of the following:

- (1) A single family dwelling that is not part of a homestead and the land, not exceeding one (1) acre, on which the dwelling is located.
- (2) Real property that consists of:
  - (A) a building that includes two (2) or more dwelling units;
  - (B) any common areas shared by the dwelling units (including any land that is a common area, as described in section 1.2(b)(2) of this chapter); and
  - (C) the land on which the building is located.
- (3) Land rented or leased for the placement of a manufactured home or mobile home, including any common areas shared by the manufactured homes or mobile homes.

**The term includes a single family dwelling that is under construction and the land, not exceeding one (1) acre, on which the dwelling will be located. The term does not include real property that consists of a commercial hotel, motel, inn, tourist camp, or tourist cabin.**

SECTION 27. IC 6-2.5-2-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) As used in this section, "motor vehicle" means a vehicle that would be subject to the annual license excise tax imposed under IC 6-6-5 if the vehicle were to be used in Indiana.

(b) Notwithstanding section 2 of this chapter, the state gross retail tax rate on a motor vehicle that a purchaser intends to immediately register, license, and title in another state is the rate of that state as certified by the seller and purchaser in an affidavit containing the information prescribed by the department of state revenue.

SECTION 28. IC 6-2.5-5-46, AS AMENDED BY P.L.288-2013, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 46. (a) Transactions involving tangible personal property (including materials, parts, equipment, and engines) are exempt from the state gross retail tax, if the property is:



1 (1) used;  
 2 (2) consumed; or  
 3 (3) installed;  
 4 in furtherance of, or in, the repair, maintenance, refurbishment,  
 5 remodeling, or remanufacturing of an aircraft or an avionics system of  
 6 an aircraft.

7 (b) The exemption provided by this section applies to a transaction  
 8 only if:

9 (1) the retail merchant, at the time of the transaction, possesses a  
 10 valid repair station certificate issued by the Federal Aviation  
 11 Administration under 14 CFR 145 et seq. or other applicable law  
 12 or regulation; **or**

13 (2) the:

14 (A) retail merchant has leased a facility at a public use  
 15 airport for the maintenance of aircraft and meets the  
 16 public use airport owner's minimum standards for an  
 17 aircraft maintenance facility; and

18 (B) work is performed by a mechanic who is certified by  
 19 the Federal Aviation Administration.

20 (c) The owner of a public use airport shall annually provide to  
 21 the department the names of retail merchants that have a lease  
 22 with the public use airport and that perform aircraft maintenance  
 23 at the public use airport.

24 SECTION 29. IC 6-3-3-5.1, AS AMENDED BY P.L.2-2007,  
 25 SECTION 122, IS AMENDED TO READ AS FOLLOWS  
 26 [EFFECTIVE JULY 1, 2014]: Sec. 5.1. (a) At the election of the  
 27 taxpayer, a credit against the adjusted gross income tax imposed by  
 28 IC 6-3-1 through IC 6-3-7 for the taxable year, is permitted in an  
 29 amount (subject to the applicable limitations provided by this section)  
 30 equal to fifty percent (50%) of the aggregate amount of contributions  
 31 made by the taxpayer during the taxable year to the twenty-first century  
 32 scholars program support fund established under IC 21-12-7-1.

33 (b) In the case of a taxpayer other than a corporation, the amount  
 34 allowable as a credit under this section for any taxable year may not  
 35 exceed:

36 (1) one hundred dollars (\$100) in the case of a single return; or  
 37 (2) two hundred dollars (\$200) in the case of a joint return.

38 (c) In the case of a taxpayer that is a corporation, the amount  
 39 allowable as a credit under this section for any taxable year may not  
 40 exceed the lesser of the following amounts:

41 (1) Ten percent (10%) of the corporation's total adjusted gross  
 42 income tax under IC 6-3-1 through IC 6-3-7 for the taxable year



(as determined without regard to any credits against that tax).

(2) One thousand dollars (\$1,000).

(d) The credit permitted under this section may not exceed the amount of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

**(e) A taxpayer is not entitled to a credit under this section for a contribution made in a taxable year beginning after December 31, 2017.**

**(f) This section expires January 1, 2019.**

SECTION 30. IC 6-3-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) The credit provided by this section shall be known as the unified tax credit for the elderly.

(b) As used in this section, unless the context clearly indicates otherwise:

(1) "Household federal adjusted gross income" means the total adjusted gross income, as defined in Section 62 of the Internal Revenue Code, of an individual, or of an individual and his **or her** spouse if they reside together for the taxable year for which the credit provided by this section is claimed.

(2) "Household" means a claimant or, if applicable, a claimant and his or her spouse if the spouse resides with the claimant and "household income" means the income of the claimant or, if applicable, the combined income of the claimant and his or her spouse if the spouse resides with the claimant.

(3) "Claimant" means an individual, other than an individual described in subsection (c) of this section, who:

(A) has filed a claim under this section;

(B) was a resident of this state for at least six (6) months during the taxable year for which he or she has filed a claim under this section; and

(C) was sixty-five (65) years of age during some portion of the taxable year for which ~~he~~ **the individual** has filed a claim under this section or whose spouse was either sixty-five (65) years of age or over during the taxable year.

(c) The credit provided under this section shall not apply to an individual who, for a period of at least one hundred eighty (180) days during the taxable year for which ~~he~~ **the individual** has filed a claim under this section, was incarcerated in a local, state, or federal correctional institution.

(d) The right to file a claim under this section shall be personal to



the claimant and shall not survive ~~his~~ **the claimant's** death, except that a surviving spouse of a claimant is entitled to claim the credit provided by this section. For purposes of determining the amount of the credit a surviving spouse is entitled to claim under this section, the deceased spouse shall be treated as having been alive on the last day of the taxable year in which the deceased spouse died. When a claimant dies after having filed a timely claim, the amount thereof shall be disbursed to another member of the household as determined by the commissioner. If the claimant was the only member of ~~his~~ **the claimant's** household, the claim may be paid to ~~his~~ **the claimant's** executor or administrator, but if neither is appointed and qualified within two (2) years of the filing of the claim, the amount of the claim shall escheat to the state.

(e) For each taxable year, subject to the limitations provided in this section, one (1) claimant per household may claim, as a credit against Indiana adjusted gross income taxes otherwise due, the credit provided by this section. If the allowable amount of the claim exceeds the income taxes otherwise due on the claimant's household income or if there are no Indiana income taxes due on such income, the amount of the claim not used as an offset against income taxes after audit by the department, at the taxpayer's option, shall be refunded to the claimant or taken as a credit against such taxpayer's income tax liability subsequently due.

(f) No claim filed pursuant to this section shall be allowed unless filed within six (6) months following the close of claimant's taxable year or within the extension period if an extension of time for filing the return has been granted under IC 6-8.1-6-1, whichever is later.

(g) The amount of any claim otherwise payable under this section may be applied by the department against any liability outstanding on the books of the department against the claimant, or against any other individual who was a member of ~~his~~ **the claimant's** household in the taxable year to which the claim relates.

(h) The amount of a claim filed pursuant to this section by a claimant that either (i) does not reside with ~~his~~ **the claimant's** spouse during the taxable year, or (ii) resides with ~~his~~ **the claimant's** spouse during the taxable year and only one (1) of them is sixty-five (65) years of age or older at the end of the taxable year, shall be determined in accordance with the following schedule:

HOUSEHOLD FEDERAL ADJUSTED GROSS INCOME FOR TAXABLE YEAR	CREDIT
less than \$1,000	\$100



- 1 at least \$1,000, but less than \$3,000 \$ 50  
 2 at least \$3,000, but less than \$10,000 \$ 40  
 3 (i) The amount of a claim filed pursuant to this section by a claimant  
 4 that resides with ~~his~~ **the claimant's** spouse during ~~his~~ **the claimant's**  
 5 taxable year shall be determined in accordance with the following  
 6 schedule if both the claimant and spouse are sixty-five (65) years of age  
 7 or older at the end of the taxable year:  
 8 HOUSEHOLD FEDERAL  
 9 ADJUSTED GROSS INCOME  
 10 FOR TAXABLE YEAR CREDIT  
 11 less than \$1,000 \$140  
 12 at least \$1,000, but less than \$3,000 \$ 90  
 13 at least \$3,000, but less than \$10,000 \$ 80  
 14 (j) The department may promulgate reasonable rules under  
 15 IC 4-22-2 for the administration of this section.  
 16 (k) Every claimant under this section shall supply to the department  
 17 on forms provided under IC 6-8.1-3-4, in support of ~~his~~ **the claimant's**  
 18 claim, reasonable proof of household income and age.  
 19 (l) Whenever on the audit of any claim filed under this section the  
 20 department finds that the amount of the claim has been incorrectly  
 21 determined, the department shall redetermine the claim and notify the  
 22 claimant of the redetermination and the reasons therefor. The  
 23 redetermination shall be final.  
 24 (m) In any case in which it is determined that a claim is or was  
 25 excessive and was filed with fraudulent intent, the claim shall be  
 26 disallowed in full, and, if the claim has been paid or a credit has been  
 27 allowed against income taxes otherwise payable, the credit shall be  
 28 canceled and the amount paid shall be recovered by assessment as  
 29 income taxes are assessed and such assessment shall bear interest from  
 30 the date of payment or credit of the claim, until refunded or paid at the  
 31 rate determined under IC 6-8.1-10-1. The claimant in such a case  
 32 commits a Class A misdemeanor. In any case in which it is determined  
 33 that a claim is or was excessive and was negligently prepared, ten  
 34 percent (10%) of the corrected claim shall be disallowed and, if the  
 35 claim has been paid or credited against income taxes otherwise  
 36 payable, the credit shall be reduced or canceled, and the proper portion  
 37 of any amount paid shall be similarly recovered by assessment as  
 38 income taxes are assessed, and such assessment shall bear interest at  
 39 the rate determined under IC 6-8.1-10-1 from the date of payment until  
 40 refunded or paid.  
 41 **(n) A taxpayer is not entitled to a credit under this section for a**  
 42 **taxable year beginning after December 31, 2017.**



**(o) This section expires January 1, 2019.**

SECTION 31. IC 6-3-3-10, AS AMENDED BY P.L.182-2009(ss),  
SECTION 197, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2014]: Sec. 10. (a) As used in this section:

"Base period wages" means the following:

(1) In the case of a taxpayer other than a pass through entity, wages paid or payable by a taxpayer to its employees during the year that ends on the last day of the month that immediately precedes the month in which an enterprise zone is established, to the extent that the wages would have been qualified wages if the enterprise zone had been in effect for that year. If the taxpayer did not engage in an active trade or business during that year in the area that is later designated as an enterprise zone, then the base period wages equal zero (0). If the taxpayer engaged in an active trade or business during only part of that year in an area that is later designated as an enterprise zone, then the department shall determine the amount of base period wages.

(2) In the case of a taxpayer that is a pass through entity, base period wages equal zero (0).

"Enterprise zone" means an enterprise zone created under IC 5-28-15.

"Enterprise zone adjusted gross income" means adjusted gross income of a taxpayer that is derived from sources within an enterprise zone. Sources of adjusted gross income shall be determined with respect to an enterprise zone, to the extent possible, in the same manner that sources of adjusted gross income are determined with respect to the state of Indiana under IC 6-3-2-2.

"Enterprise zone gross income" means gross income of a taxpayer that is derived from sources within an enterprise zone.

"Enterprise zone insurance premiums" means insurance premiums derived from sources within an enterprise zone.

"Monthly base period wages" means base period wages divided by twelve (12).

"Qualified employee" means an individual who is employed by a taxpayer and who:

(1) has the individual's principal place of residence in the enterprise zone in which the individual is employed;

(2) performs services for the taxpayer, ninety percent (90%) of which are directly related to the conduct of the taxpayer's trade or business that is located in an enterprise zone;

(3) performs at least fifty percent (50%) of the individual's services for the taxpayer during the taxable year in the enterprise



1 zone; and

2 (4) in the case of an individual who is employed by a taxpayer  
3 that is a pass through entity, was first employed by the taxpayer  
4 after December 31, 1998.

5 "Qualified increased employment expenditures" means the  
6 following:

7 (1) For a taxpayer's taxable year other than the taxpayer's taxable  
8 year in which the enterprise zone is established, the amount by  
9 which qualified wages paid or payable by the taxpayer during the  
10 taxable year to qualified employees exceeds the taxpayer's base  
11 period wages.

12 (2) For the taxpayer's taxable year in which the enterprise zone is  
13 established, the amount by which qualified wages paid or payable  
14 by the taxpayer during all of the full calendar months in the  
15 taxpayer's taxable year that succeed the date on which the  
16 enterprise zone was established exceed the taxpayer's monthly  
17 base period wages multiplied by that same number of full  
18 calendar months.

19 "Qualified state tax liability" means a taxpayer's total income tax  
20 liability incurred under:

21 (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax) with  
22 respect to enterprise zone adjusted gross income;

23 (2) IC 27-1-18-2 (insurance premiums tax) with respect to  
24 enterprise zone insurance premiums; and

25 (3) IC 6-5.5 (the financial institutions tax);

26 as computed after the application of the credits that, under  
27 IC 6-3.1-1-2, are to be applied before the credit provided by this  
28 section.

29 "Qualified wages" means the wages paid or payable to qualified  
30 employees during a taxable year.

31 "Taxpayer" includes a pass through entity.

32 (b) A taxpayer is entitled to a credit against the taxpayer's qualified  
33 state tax liability for a taxable year in the amount of the lesser of:

34 (1) the product of ten percent (10%) multiplied by the qualified  
35 increased employment expenditures of the taxpayer for the  
36 taxable year; or

37 (2) one thousand five hundred dollars (\$1,500) multiplied by the  
38 number of qualified employees employed by the taxpayer during  
39 the taxable year.

40 (c) The amount of the credit provided by this section that a taxpayer  
41 uses during a particular taxable year may not exceed the taxpayer's  
42 qualified state tax liability for the taxable year. If the credit provided by



1 this section exceeds the amount of that tax liability for the taxable year  
 2 it is first claimed, then the excess may be carried back to preceding  
 3 taxable years or carried over to succeeding taxable years and used as  
 4 a credit against the taxpayer's qualified state tax liability for those  
 5 taxable years. Each time that the credit is carried back to a preceding  
 6 taxable year or carried over to a succeeding taxable year, the amount  
 7 of the carryover is reduced by the amount used as a credit for that  
 8 taxable year. Except as provided in subsection (e), the credit provided  
 9 by this section may be carried forward and applied in the ten (10)  
 10 taxable years that succeed the taxable year in which the credit accrues.  
 11 The credit provided by this section may be carried back and applied in  
 12 the three (3) taxable years that precede the taxable year in which the  
 13 credit accrues.

14 (d) A credit earned by a taxpayer in a particular taxable year shall  
 15 be applied against the taxpayer's qualified state tax liability for that  
 16 taxable year before any credit carryover or carryback is applied against  
 17 that liability under subsection (c).

18 (e) Notwithstanding subsection (c), if a credit under this section  
 19 results from wages paid in a particular enterprise zone, and if that  
 20 enterprise zone terminates in a taxable year that succeeds the last  
 21 taxable year in which a taxpayer is entitled to use the credit carryover  
 22 that results from those wages under subsection (c), then the taxpayer  
 23 may use the credit carryover for any taxable year up to and including  
 24 the taxable year in which the enterprise zone terminates.

25 (f) A taxpayer is not entitled to a refund of any unused credit.

26 (g) A taxpayer that:

- 27 (1) does not own, rent, or lease real property outside of an
- 28 enterprise zone that is an integral part of its trade or business; and
- 29 (2) is not owned or controlled directly or indirectly by a taxpayer
- 30 that owns, rents, or leases real property outside of an enterprise
- 31 zone;

32 is exempt from the allocation and apportionment provisions of this  
 33 section.

34 (h) If a pass through entity is entitled to a credit under subsection (b)  
 35 but does not have state tax liability against which the tax credit may be  
 36 applied, an individual who is a shareholder, partner, beneficiary, or  
 37 member of the pass through entity is entitled to a tax credit equal to:

- 38 (1) the tax credit determined for the pass through entity for the
- 39 taxable year; multiplied by
- 40 (2) the percentage of the pass through entity's distributive income
- 41 to which the shareholder, partner, beneficiary, or member is
- 42 entitled.





The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, beneficiary, or member of a pass through entity is entitled. However, a pass through entity and an individual who is a shareholder, partner, beneficiary, or member of a pass through entity may not claim more than one (1) credit for the qualified expenditure.

**(i) A taxpayer is not entitled to a credit under this chapter for:**

**(1) employment expenditures made; or**

**(2) qualified employees who are employed;**

**in a taxable year beginning after December 31, 2016.**

**(j) This chapter expires January 1, 2026.**

SECTION 32. IC 6-3-3-12, AS AMENDED BY P.L.182-2009(ss), SECTION 198, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12. (a) As used in this section, "account" has the meaning set forth in IC 21-9-2-2.

(b) As used in this section, "account beneficiary" has the meaning set forth in IC 21-9-2-3.

(c) As used in this section, "account owner" has the meaning set forth in IC 21-9-2-4.

(d) As used in this section, "college choice 529 education savings plan" refers to a college choice 529 investment plan established under IC 21-9.

(e) As used in this section, "contribution" means the amount of money directly provided to a college choice 529 education savings plan account by a taxpayer. A contribution does not include any of the following:

(1) Money credited to an account as a result of bonus points or other forms of consideration earned by the taxpayer that result in a transfer of money to the account.

(2) Money transferred from any other qualified tuition program under Section 529 of the Internal Revenue Code or from any other similar plan.

(f) As used in this section, "nonqualified withdrawal" means a withdrawal or distribution from a college choice 529 education savings plan that is not a qualified withdrawal.

(g) As used in this section, "qualified higher education expenses" has the meaning set forth in IC 21-9-2-19.5.

(h) As used in this section, "qualified withdrawal" means a withdrawal or distribution from a college choice 529 education savings plan that is made:

(1) to pay for qualified higher education expenses, excluding any withdrawals or distributions used to pay for qualified higher



1 education expenses if the withdrawals or distributions are made  
 2 from an account of a college choice 529 education savings plan  
 3 that is terminated within twelve (12) months after the account is  
 4 opened;

5 (2) as a result of the death or disability of an account beneficiary;  
 6 (3) because an account beneficiary received a scholarship that  
 7 paid for all or part of the qualified higher education expenses of  
 8 the account beneficiary, to the extent that the withdrawal or  
 9 distribution does not exceed the amount of the scholarship; or  
 10 (4) by a college choice 529 education savings plan as the result of  
 11 a transfer of funds by a college choice 529 education savings plan  
 12 from one (1) third party custodian to another.

13 A qualified withdrawal does not include a rollover distribution or  
 14 transfer of assets from a college choice 529 education savings plan to  
 15 any other qualified tuition program under Section 529 of the Internal  
 16 Revenue Code or to any other similar plan.

17 (i) As used in this section, "taxpayer" means:

- 18 (1) an individual filing a single return; or
- 19 (2) a married couple filing a joint return.

20 (j) A taxpayer is entitled to a credit against the taxpayer's adjusted  
 21 gross income tax imposed by IC 6-3-1 through IC 6-3-7 for a taxable  
 22 year equal to the least of the following:

- 23 (1) Twenty percent (20%) of the amount of the total contributions  
 24 made by the taxpayer to an account or accounts of a college  
 25 choice 529 education savings plan during the taxable year.
- 26 (2) One thousand dollars (\$1,000).
- 27 (3) The amount of the taxpayer's adjusted gross income tax  
 28 imposed by IC 6-3-1 through IC 6-3-7 for the taxable year,  
 29 reduced by the sum of all credits (as determined without regard to  
 30 this section) allowed by IC 6-3-1 through IC 6-3-7.

31 (k) A taxpayer is not entitled to a carryback, carryover, or refund of  
 32 an unused credit.

33 (l) A taxpayer may not sell, assign, convey, or otherwise transfer the  
 34 tax credit provided by this section.

35 (m) To receive the credit provided by this section, a taxpayer must  
 36 claim the credit on the taxpayer's annual state tax return or returns in  
 37 the manner prescribed by the department. The taxpayer shall submit to  
 38 the department all information that the department determines is  
 39 necessary for the calculation of the credit provided by this section.

40 (n) An account owner of an account of a college choice 529  
 41 education savings plan must repay all or a part of the credit in a taxable  
 42 year in which any nonqualified withdrawal is made from the account.



The amount the taxpayer must repay is equal to the lesser of:

(1) twenty percent (20%) of the total amount of nonqualified withdrawals made during the taxable year from the account; or

(2) the excess of:

(A) the cumulative amount of all credits provided by this section that are claimed by any taxpayer with respect to the taxpayer's contributions to the account for all prior taxable years beginning on or after January 1, 2007; over

(B) the cumulative amount of repayments paid by the account owner under this subsection for all prior taxable years beginning on or after January 1, 2008.

(o) Any required repayment under subsection (o) shall be reported by the account owner on the account owner's annual state income tax return for any taxable year in which a nonqualified withdrawal is made.

(p) A nonresident account owner who is not required to file an annual income tax return for a taxable year in which a nonqualified withdrawal is made shall make any required repayment on the form required under IC 6-3-4-1(2). If the nonresident account owner does not make the required repayment, the department shall issue a demand notice in accordance with IC 6-8.1-5-1.

(q) The executive director of the Indiana education savings authority shall submit or cause to be submitted to the department a copy of all information returns or statements issued to account owners, account beneficiaries, and other taxpayers for each taxable year with respect to:

(1) nonqualified withdrawals made from accounts of a college choice 529 education savings plan for the taxable year; or

(2) account closings for the taxable year.

**(r) A taxpayer is not entitled to a credit under this section for a contribution made in a taxable year beginning after December 31, 2017.**

**(s) This section expires January 1, 2019.**

SECTION 33. IC 6-3.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) Subject to the limitation established in sections 4 and 5 of this chapter, a taxpayer that employs an eligible teacher in a qualified position during a school summer recess is entitled to a tax credit against ~~his~~ **the taxpayer's** state income tax liability as provided for under section 3 of this chapter.

**(b) A taxpayer is not entitled to a credit under this chapter for employing an eligible teacher in a qualified position in a taxable year beginning after December 31, 2017.**

**(c) This chapter expires January 1, 2019.**

SECTION 34. IC 6-3.1-4-3, AS ADDED BY P.L.197-2005,



SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) The amount of the credit provided by this chapter that a taxpayer uses during a particular taxable year may not exceed the sum of the taxes imposed by IC 6-3 for the taxable year after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter. If the credit provided by this chapter exceeds that sum for the taxable year for which the credit is first claimed, then the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, it is to be reduced by the amount which was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for ten (10) taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).

(c) A taxpayer is not entitled to any carryback or refund of any unused credit.

**(d) A taxpayer is not entitled to a credit under this chapter for research expenses incurred in a taxable year beginning after December 31, 2017.**

**(e) This chapter expires January 1, 2025.**

SECTION 35. IC 6-3.1-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) A taxpayer who enters into an agreement is entitled to receive an income tax credit for a taxable year equal to:

- (1) the taxpayer's state income tax liability for the taxable year;
- (2) an amount equal to the sum of:
  - (A) fifty percent (50%) of any investment in qualified property made by the taxpayer during the taxable year as part of the agreement; plus
  - (B) twenty-five percent (25%) of the wages paid to inmates during the taxable year as part of the agreement; or
- (3) one hundred thousand dollars (\$100,000);

whichever is least.

(b) A tax credit shall be allowed under this chapter only for the taxable year of the taxpayer during which:

- (1) the investment in qualified property is made in accordance with Section 38 of the Internal Revenue Code; or



(2) the wages are paid to inmates;  
as part of an agreement.

**(c) A taxpayer is not entitled to a credit under this chapter for investments made or wages paid in a taxable year after December 31, 2017.**

**(d) This chapter expires January 1, 2019.**

SECTION 36. IC 6-3.1-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) If the amount determined under section 2(b) of this chapter for a particular taxpayer and a particular taxable year exceeds the taxpayer's state tax liability for that taxable year, then the taxpayer may carry the excess over to the immediately succeeding taxable years. Except as provided in subsection (b), the credit carryover may not be used for any taxable year that begins more than ten (10) years after the date on which the qualified loan from which the credit results is made. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) Notwithstanding subsection (a), if a loan is a qualified loan as the result of the use of the loan proceeds in a particular enterprise zone, and if the phase-out period of that enterprise zone terminates in a taxable year that succeeds the last taxable year in which a taxpayer is entitled to use credit carryover that results from that loan under subsection (a), then the taxpayer may use the credit carryover for any taxable year up to and including the taxable year in which the phase-out period of the enterprise zone terminates.

**(c) A taxpayer is not entitled to a credit under this chapter for qualified loan interest received in a taxable year beginning after December 31, 2016.**

**(d) This chapter expires January 1, 2026.**

SECTION 37. IC 6-3.1-9-1, AS AMENDED BY P.L.1-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. (a) As used in this chapter, "authority" means the Indiana housing and community development authority established by IC 5-20-1-3.

(b) As used in this chapter, "business firm" means any business entity authorized to do business in the state of Indiana that has state tax liability.

(c) As used in this chapter, "community services" means any type of:

- (1) counseling and advice;
- (2) emergency assistance;



- (3) medical care;
- (4) recreational facilities;
- (5) housing facilities; or
- (6) economic development assistance;

provided to individuals, economically disadvantaged households, groups, or neighborhood organizations in an economically disadvantaged area **or provided to individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole.**

(d) As used in this chapter, "crime prevention" means any activity which aids in the reduction of crime in an economically disadvantaged area or an economically disadvantaged household.

(e) As used in this chapter, "economically disadvantaged area" means an enterprise zone, or any other federally or locally designated economically disadvantaged area in Indiana. The certification shall be made on the basis of current indices of social and economic conditions, which shall include but not be limited to the median per capita income of the area in relation to the median per capita income of the state or standard metropolitan statistical area in which the area is located.

(f) As used in this chapter, "economically disadvantaged household" means a household with an annual income that is at or below eighty percent (80%) of the area median income or any other federally designated target population.

(g) As used in this chapter, "education" means any type of scholastic instruction or scholarship assistance to an individual who:

- (1) resides in an economically disadvantaged area; **or**
- (2) is an ex-offender who has completed the individual's criminal sentence or is serving a term of probation or parole;**

that enables the individual to prepare for better life opportunities.

(h) As used in this chapter, "enterprise zone" means an enterprise zone created under IC 5-28-15.

(i) As used in this chapter, "job training" means any type of instruction to an individual who:

- (1) resides in:
  - (+) (A) an economically disadvantaged area; or
  - (-) (B) an economically disadvantaged household; **or**
  - (2) is an ex-offender who has completed the individual's criminal sentence or is serving a term of probation or parole;**

that enables the individual to acquire vocational skills so that the individual can become employable or be able to seek a higher grade of employment.

(j) As used in this chapter, "neighborhood assistance" means either:



- (1) furnishing financial assistance, labor, material, and technical advice to aid in the physical or economic improvement of any part or all of an economically disadvantaged area; or  
 (2) furnishing technical advice to promote higher employment in any neighborhood in Indiana.

(k) As used in this chapter, "neighborhood organization" means any organization, including but not limited to a nonprofit development corporation doing both of the following:

- (1) Performing community services:  
 (A) in an economically disadvantaged area; ~~or~~  
 (B) for an economically disadvantaged household; ~~or~~  
**(C) for individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole.**

- (2) Holding a ruling:  
 (A) from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under the provisions of the Internal Revenue Code; and  
 (B) from the department of state revenue that the organization is exempt from income taxation under IC 6-2.5-5-21.

(l) As used in this chapter, "person" means any individual subject to Indiana gross or adjusted gross income tax.

(m) As used in this chapter, "state fiscal year" means a twelve (12) month period beginning on July 1 and ending on June 30.

(n) As used in this chapter, "state tax liability" means the taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and  
 (2) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter.

(o) As used in this chapter, "tax credit" means a deduction from any tax otherwise due and payable under IC 6-3 or IC 6-5.5.

SECTION 38. IC 6-3.1-9-2, AS AMENDED BY P.L.1-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) A business firm or a person who contributes to a neighborhood organization that engages in the activities of providing:

- (1) neighborhood assistance, job training, or education for individuals not employed by the business firm or person; ~~or for~~**  
**(2) community services or crime prevention in an economically**



disadvantaged area; **or**

**(3) community services, education, or job training services to individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole;**

shall receive a tax credit as provided in section 3 of this chapter if the authority approves the proposal of the business firm or person, setting forth the program to be conducted, the area selected, the estimated amount to be invested in the program, and the plans for implementing the program.

(b) The authority, after consultation with the community services agency and the commissioner of revenue, may adopt rules for the approval or disapproval of these proposals.

SECTION 39. IC 6-3.1-9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. **(a)** A tax credit shall be allowable under this chapter only for the taxable year of the taxpayer in which the contribution qualifying for the credit is paid or permanently set aside in a special account for the approved program or purpose.

**(b) A taxpayer is not entitled to a credit under this chapter for contributions made or permanently set aside in a taxable year beginning after December 31, 2017.**

**(c) This chapter expires January 1, 2019.**

SECTION 40. IC 6-3.1-10-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) If the amount determined under section 6(b) of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit.

**(c) A taxpayer is not entitled to a credit under this chapter for qualified investments made in a taxable year beginning after December 31, 2016.**

**(d) This chapter expires January 1, 2026.**

SECTION 41. IC 6-3.1-11-7.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 7.2. As used in this chapter, "pass through entity" has the meaning set forth in IC 6-3-1-35.**





SECTION 42. IC 6-3.1-11-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17. (a) If the amount determined under section 16(b) of this chapter for a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the immediately following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit.

**(c) A taxpayer is not entitled to a credit under this chapter for qualified investments made in a taxable year beginning after December 31, 2016.**

**(d) This chapter expires January 1, 2026.**

SECTION 43. IC 6-3.1-11-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: Sec. 24. (a) If a pass through entity does not have state income tax liability against which the tax credit provided by this chapter may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

(b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter.

SECTION 44. IC 6-3.1-13-13, AS AMENDED BY P.L.4-2005, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) The corporation may make credit awards under this chapter to foster job creation in Indiana or, as provided in section 15.5 of this chapter, job retention in Indiana.

(b) The credit shall be claimed for the taxable years specified in the taxpayer's tax credit agreement.

**(c) The corporation may not, after December 31, 2016, approve a credit agreement specifying that a taxpayer may claim a credit under this chapter.**

**(d) This chapter expires January 1, 2026.**

SECTION 45. IC 6-3.1-16-1 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. Sec. 1. The definitions set forth in:



1           (1) ~~IC 14-8-2 that apply to IC 14-21-1; and~~  
 2           (2) ~~IC 14-21-1;~~  
 3           apply throughout this chapter.

4           SECTION 46. IC 6-3.1-16-2 IS AMENDED TO READ AS  
 5           FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 2. As used in this  
 6           chapter, ~~"division"~~ **"office"** means the ~~division of historic preservation~~  
 7           ~~and archaeology of the department of natural resources.~~ **office of**  
 8           **community and rural affairs established by IC 4-4-9.7-4.**

9           SECTION 47. IC 6-3.1-16-7 IS AMENDED TO READ AS  
 10          FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 7. (a) Subject to  
 11          section 14 of this chapter, a taxpayer is entitled to a credit against the  
 12          taxpayer's state tax liability in the taxable year in which the taxpayer  
 13          completes the preservation or rehabilitation of historic property and  
 14          obtains the certifications required under section 8 of this chapter.

15          (b) The amount of the credit is equal to twenty percent (20%) of the  
 16          qualified expenditures that:

- 17           (1) the taxpayer makes for the preservation or rehabilitation of
- 18           historic property; and
- 19           (2) are approved by the ~~division.~~ **office.**

20          (c) In the case of a husband and wife who:

- 21           (1) own and rehabilitate a historic property jointly; and
- 22           (2) file separate tax returns;

23          the husband and wife may take the credit in equal shares or one (1)  
 24          spouse may take the whole credit.

25          SECTION 48. IC 6-3.1-16-8 IS AMENDED TO READ AS  
 26          FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. A taxpayer  
 27          qualifies for a credit under section 7 of this chapter if all of the  
 28          following conditions are met:

- 29           (1) The historic property is:
  - 30           (A) located in Indiana;
  - 31           (B) at least fifty (50) years old; and
  - 32           (C) except as provided in section 7(c) of this chapter, owned
  - 33           by the taxpayer.
- 34           (2) The ~~division~~ **office** certifies that the historic property is listed
- 35           in the register of Indiana historic sites and historic structures.
- 36           (3) The ~~division~~ **office** certifies that the taxpayer submitted a
- 37           proposed preservation or rehabilitation plan to the ~~division~~ **office**
- 38           that complies with the standards of the ~~division.~~ **office.**
- 39           (4) The ~~division~~ **office** certifies that the preservation or
- 40           rehabilitation work that is the subject of the credit substantially
- 41           complies with the proposed plan referred to in subdivision (3).
- 42           (5) The preservation or rehabilitation work is completed in not



more than:

(A) two (2) years; or

(B) five (5) years if the preservation or rehabilitation plan indicates that the preservation or rehabilitation is initially planned for completion in phases.

The time in which work must be completed begins when the physical work of construction or destruction in preparation for construction begins.

(6) The historic property is:

(A) actively used in a trade or business;

(B) held for the production of income; or

(C) held for the rental or other use in the ordinary course of the taxpayer's trade or business.

(7) The qualified expenditures for preservation or rehabilitation of the historic property exceed ten thousand dollars (\$10,000).

SECTION 49. IC 6-3.1-16-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 9. (a) The ~~division office~~ shall provide the certifications referred to in section 8(3) and 8(4) of this chapter if a taxpayer's proposed preservation or rehabilitation plan complies with the standards of the ~~division office~~ and the taxpayer's preservation or rehabilitation work complies with the plan.

(b) The taxpayer may appeal a ~~decision~~ **final determination** by the ~~division office~~ under this chapter to the ~~review board~~ **tax court**.

SECTION 50. IC 6-3.1-16-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 10. To obtain a credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue the certifications by the ~~division office~~ required under section 8 of this chapter and all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter.

SECTION 51. IC 6-3.1-16-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 12. (a) A credit claimed under this chapter shall be recaptured from the taxpayer if:

(1) the property is transferred less than five (5) years after completion of the certified preservation or rehabilitation work; or

(2) less than five (5) years after completion of the certified preservation or rehabilitation, additional modifications to the property are undertaken that do not meet the standards of the ~~division~~ **office**.



(b) If the recapture of a credit is required under this section, an amount equal to the credit recaptured shall be added to the tax liability of the taxpayer for the taxable year during which the credit is recaptured.

SECTION 52. IC 6-3.1-16-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) If the credit provided by this chapter exceeds a taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for fifteen (15) taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).

(c) A taxpayer is not entitled to any carryback or refund of any unused credit.

**(d) A taxpayer may not claim a credit under this chapter for qualified expenditures approved in a taxable year beginning after December 31, 2017.**

SECTION 53. IC 6-3.1-16-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 15. (a) The following may adopt rules under IC 4-22-2 to carry out this chapter:

(1) The department of state revenue.

(2) The ~~division~~ office.

**(b) The following apply to any rules adopted by the division of historic preservation and archaeology of the department of natural resources under this chapter before January 1, 2015:**

**(1) The rules are transferred to the office on January 1, 2015, and are considered, after December 31, 2014, to be rules of the office.**

**(2) After December 31, 2014, the rules are treated as if they had been adopted by the office.**

SECTION 54. IC 6-3.1-18-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 11. (a) A tax credit shall be allowable under this chapter only for the taxable year of the taxpayer in which the contribution qualifying for the credit is paid.



1       **(b) A taxpayer is not entitled to a credit under this chapter for**  
 2       **a contribution made in a taxable year beginning after December**  
 3       **31, 2017.**

4       **(c) This chapter expires January 1, 2019.**

5       SECTION 55. IC 6-3.1-19-3, AS AMENDED BY P.L.172-2011,  
 6       SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7       JULY 1, 2014]: Sec. 3. (a) Except as provided in section 5 of this  
 8       chapter, a taxpayer is entitled to a credit against the taxpayer's state and  
 9       local tax liability for a taxable year if the taxpayer makes a qualified  
 10      investment in that year.

11      (b) The amount of the credit to which a taxpayer is entitled is the  
 12      qualified investment made by the taxpayer during the taxable year  
 13      multiplied by twenty-five percent (25%).

14      (c) A taxpayer may assign any part of the credit to which the  
 15      taxpayer is entitled under this chapter to a lessee of property  
 16      redeveloped or rehabilitated under section 2 of this chapter. A credit  
 17      that is assigned under this subsection remains subject to this chapter.

18      (d) An assignment under subsection (c) must be in writing and both  
 19      the taxpayer and the lessee must report the assignment on their state tax  
 20      return for the year in which the assignment is made, in the manner  
 21      prescribed by the department. The taxpayer may not receive value in  
 22      connection with the assignment under subsection (c) that exceeds the  
 23      value of the part of the credit assigned.

24      (e) If a pass through entity is entitled to a credit under this chapter  
 25      but does not have state and local tax liability against which the tax  
 26      credit may be applied, a shareholder, partner, or member of the pass  
 27      through entity is entitled to a tax credit equal to:

28          (1) the tax credit determined for the pass through entity for the  
 29          taxable year; multiplied by

30          (2) the percentage of the pass through entity's distributive income  
 31          to which the shareholder, partner, or member is entitled.

32      The credit provided under this subsection is in addition to a tax credit  
 33      to which a shareholder, partner, or member of a pass through entity is  
 34      otherwise entitled under this chapter. However, a pass through entity  
 35      and an individual who is a shareholder, partner, or member of the pass  
 36      through entity may not claim more than one (1) credit for the same  
 37      investment.

38      (f) A taxpayer that is otherwise entitled to a credit under this chapter  
 39      for a taxable year may claim the credit regardless of whether any  
 40      income tax incremental amount or gross retail incremental amount has  
 41      been:

42          (1) deposited in the incremental tax financing fund established for



1 the community revitalization enhancement district; or

2 (2) allocated to the district.

3 **(g) A taxpayer is not entitled to a credit under this chapter for**  
 4 **a qualified investment made in a taxable year beginning after**  
 5 **December 31, 2016.**

6 **(h) This chapter expires January 1, 2026.**

7 SECTION 56. IC 6-3.1-20-1 IS AMENDED TO READ AS  
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 1. As used in this  
 9 chapter, "**earned "Indiana income"** means the ~~sum of the:~~

10 ~~(1) wages, salaries, tips, and other employee compensation; and~~

11 ~~(2) net earnings from self-employment (as computed under~~  
 12 ~~Section 32(c)(2) of the Internal Revenue Code);~~

13 **adjusted gross income** of an individual taxpayer, and the individual's  
 14 spouse, if the individual files a joint adjusted gross income tax return.

15 SECTION 57. IC 6-3.1-20-4, AS AMENDED BY P.L.13-2013,  
 16 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JANUARY 1, 2015]: Sec. 4. (a) Except as provided in subsection (b),  
 18 an individual is entitled to a credit under this chapter if:

19 (1) the individual's **earned Indiana** income for the taxable year is  
 20 less than eighteen thousand six hundred dollars (\$18,600); and

21 (2) the individual pays property taxes in the taxable year on a  
 22 homestead that:

23 (A) the individual:

24 (i) owns; or

25 (ii) is buying under a contract that requires the individual to  
 26 pay property taxes on the homestead, if the contract or a  
 27 memorandum of the contract is recorded in the county  
 28 recorder's office; and

29 (B) is located in a county having a population of more than  
 30 four hundred thousand (400,000) but less than seven hundred  
 31 thousand (700,000).

32 (b) An individual is not entitled to a credit under this chapter for a  
 33 taxable year for property taxes paid on the individual's homestead if the  
 34 individual claims the deduction under IC 6-3-1-3.5(a)(15) for the  
 35 homestead for that same taxable year.

36 **(c) An individual is not entitled to a credit under this section for**  
 37 **property taxes paid in a taxable year beginning after December 31,**  
 38 **2017.**

39 **(d) This section expires January 1, 2019.**

40 SECTION 58. IC 6-3.1-20-5 IS AMENDED TO READ AS  
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 5. (a) Each year,  
 42 an individual described in section 4 of this chapter is entitled to a



1 refundable credit against the individual's state income tax liability in  
2 the amount determined under this section.

3 (b) In the case of an individual with ~~earned~~ **Indiana** income of less  
4 than eighteen thousand dollars (\$18,000) for the taxable year, the  
5 amount of the credit is equal to the lesser of:

6 (1) three hundred dollars (\$300); or

7 (2) the amount of property taxes described in section 4(a)(2) of  
8 this chapter paid by the individual in the taxable year.

9 (c) In the case of an individual with ~~earned~~ **Indiana** income that is  
10 at least eighteen thousand dollars (\$18,000) but less than eighteen  
11 thousand six hundred dollars (\$18,600) for the taxable year, the amount  
12 of the credit is equal to the lesser of the following:

13 (1) An amount determined under the following STEPS:

14 STEP ONE: Determine the result of:

15 (i) eighteen thousand six hundred dollars (\$18,600); minus

16 (ii) the individual's ~~earned~~ **Indiana** income for the taxable  
17 year.

18 STEP TWO: Determine the result of:

19 (i) the STEP ONE amount; multiplied by

20 (ii) five-tenths (0.5).

21 (2) The amount of property taxes described in section 4(a)(2) of  
22 this chapter paid by the individual in the taxable year.

23 (d) If the amount of the credit under this chapter exceeds the  
24 individual's state tax liability for the taxable year, the excess shall be  
25 refunded to the taxpayer.

26 SECTION 59. IC 6-3.1-20-7 IS AMENDED TO READ AS  
27 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 7. (a) The  
28 department shall before July 1 of each year determine **the greater of:**

29 **(1) eight million five hundred thousand dollars (\$8,500,000);**  
30 **or**

31 **(2) the amount of credits allowed under this chapter for taxable**  
32 **years ending before January 1 of the year.**

33 **(b) Except as provided in subsection (d), one-half (1/2) of the**  
34 **amount determined by the department under subsection (a) shall be:**

35 (1) deducted during the year from the riverboat admissions tax  
36 revenue otherwise payable to the county under  
37 IC 4-33-12-6(d)(2); and

38 (2) paid instead to the state general fund.

39 **(c) Except as provided in subsection (d), one-sixth (1/6) of the**  
40 **amount determined by the department under subsection (a) shall be:**

41 (1) deducted during the year from the riverboat admissions tax  
42 revenue otherwise payable under IC 4-33-12-6(d)(1) to each of



the following:

(A) The largest city by population located in the county.

(B) The second largest city by population located in the county.

(C) The third largest city by population located in the county; and

(2) paid instead to the state general fund.

**(d) If the amount determined by the department under subsection (a)(2) is less than eight million five hundred thousand dollars (\$8,500,000), the difference of:**

**(1) eight million five hundred thousand dollars (\$8,500,000); minus**

**(2) the amount determined by the department under subsection (a)(2);**

**shall be paid to the northwest Indiana regional development authority established by IC 36-7.5-2-1 instead of the state general fund.**

SECTION 60. IC 6-3.1-21-8, AS AMENDED BY P.L.172-2011, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8. **(a)** To obtain a credit under this chapter, a taxpayer must claim the advance payment or credit in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter.

**(b) A taxpayer may not claim a credit under this chapter after December 31, 2016.**

**(c) This chapter expires January 2, 2018.**

SECTION 61. IC 6-3.1-22-1 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. ~~Sec. 1. The definitions set forth in:~~

~~(1) IC 14-8-2 that apply to IC 14-21-1; and~~

~~(2) IC 14-21-1;~~

~~apply throughout this chapter.~~

SECTION 62. IC 6-3.1-22-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 2. As used in this chapter, ~~"division"~~ **"office"** means the ~~division of historic preservation and archeology of the department of natural resources.~~ **office of community and rural affairs established by IC 4-4-9.7-4.**

SECTION 63. IC 6-3.1-22-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. (a) Subject to section 14 of this chapter, a taxpayer is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer





1 completes the preservation or rehabilitation of historic property and  
 2 obtains the certifications required under section 9 of this chapter.

3 (b) The amount of the credit is equal to twenty percent (20%) of the  
 4 qualified expenditures that:

5 (1) the taxpayer makes for the preservation or rehabilitation of  
 6 historic property; and

7 (2) are approved by the ~~division~~ **office**.

8 (c) In the case of a husband and wife who:

9 (1) own and rehabilitate a historic property jointly; and

10 (2) file separate tax returns;

11 the husband and wife may take the credit in equal shares or one (1)  
 12 spouse may take the whole credit.

13 SECTION 64. IC 6-3.1-22-9 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 9. A taxpayer  
 15 qualifies for a credit under section 8 of this chapter if all of the  
 16 following conditions are met:

17 (1) The historic property is:

18 (A) located in Indiana;

19 (B) at least fifty (50) years old; and

20 (C) except as provided in section 8(c) of this chapter, owned  
 21 by the taxpayer.

22 (2) The ~~division~~ **office** certifies that the historic property is listed  
 23 in the register of Indiana historic sites and historic structures.

24 (3) The ~~division~~ **office** certifies that the taxpayer submitted a  
 25 proposed preservation or rehabilitation plan to the ~~division~~ **office**  
 26 that complies with the standards of the ~~division~~ **office**.

27 (4) The ~~division~~ **office** certifies that the preservation or  
 28 rehabilitation work that is the subject of the credit substantially  
 29 complies with the proposed plan referred to in subdivision (3).

30 (5) The preservation or rehabilitation work is completed in not  
 31 more than:

32 (A) two (2) years; or

33 (B) five (5) years if the preservation or rehabilitation plan  
 34 indicates that the preservation or rehabilitation is initially  
 35 planned for completion in phases.

36 The time in which work must be completed begins when the  
 37 physical work of construction or destruction in preparation for  
 38 construction begins.

39 (6) The historic property is principally used and occupied by the  
 40 taxpayer as the taxpayer's residence.

41 (7) The qualified expenditures for preservation or rehabilitation  
 42 of the historic property exceed ten thousand dollars (\$10,000).



1 SECTION 65. IC 6-3.1-22-10 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 10. (a) The  
 3 ~~division office~~ shall provide the certifications referred to in section 9(3)  
 4 and 9(4) of this chapter if a taxpayer's proposed preservation or  
 5 rehabilitation plan complies with the standards of the ~~division office~~  
 6 and the taxpayer's preservation or rehabilitation work complies with the  
 7 plan.

8 (b) The taxpayer may appeal a ~~decision~~ **final determination** by the  
 9 ~~division office~~ under this chapter to the ~~review board~~ **tax court**.

10 SECTION 66. IC 6-3.1-22-11 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 11. To obtain a  
 12 credit under this chapter, a taxpayer must claim the credit on the  
 13 taxpayer's annual state tax return or returns in the manner prescribed  
 14 by the department of state revenue. The taxpayer shall submit to the  
 15 department of state revenue the certifications by the ~~division office~~  
 16 required under section 9 of this chapter and all information that the  
 17 department of state revenue determines is necessary for the calculation  
 18 of the credit provided by this chapter.

19 SECTION 67. IC 6-3.1-22-13 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 13. (a) A credit  
 21 claimed under this chapter shall be recaptured from the taxpayer if:

- 22 (1) the property is transferred less than five (5) years after
- 23 completion of the certified preservation or rehabilitation work; or
- 24 (2) less than five (5) years after completion of the certified
- 25 preservation or rehabilitation, additional modifications to the
- 26 property are undertaken that do not meet the standards of the
- 27 ~~division office~~.

28 (b) If the recapture of a credit is required under this section, an  
 29 amount equal to the credit recaptured shall be added to the tax liability  
 30 of the taxpayer for the taxable year during which the credit is  
 31 recaptured.

32 SECTION 68. IC 6-3.1-22-14 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) If the credit  
 34 provided by this chapter exceeds a taxpayer's state tax liability for the  
 35 taxable year for which the credit is first claimed, the excess may be  
 36 carried over to succeeding taxable years and used as a credit against the  
 37 tax otherwise due and payable by the taxpayer under IC 6-3 during  
 38 those taxable years. Each time that the credit is carried over to a  
 39 succeeding taxable year, the credit is to be reduced by the amount that  
 40 was used as a credit during the immediately preceding taxable year.  
 41 The credit provided by this chapter may be carried forward and applied  
 42 to succeeding taxable years for fifteen (15) taxable years following the



1 unused credit year.

2 (b) A credit earned by a taxpayer in a particular taxable year shall  
3 be applied against the taxpayer's tax liability for that taxable year  
4 before any credit carryover is applied against that liability under  
5 subsection (a).

6 (c) A taxpayer is not entitled to any carryback or refund of any  
7 unused credit.

8 **(d) A taxpayer may not claim a credit under this chapter for**  
9 **qualified expenditures approved in a taxable year beginning after**  
10 **December 31, 2017.**

11 SECTION 69. IC 6-3.1-22-16 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 16. **(a)** The  
13 following may adopt rules under IC 4-22-2 to carry out this chapter:

14 (1) The department of state revenue.

15 (2) ~~The division.~~ **office.**

16 **(b) The following apply to any rules adopted by the division of**  
17 **historic preservation and archaeology of the department of natural**  
18 **resources under this chapter before January 1, 2015:**

19 **(1) The rules are transferred to the office on January 1, 2015,**  
20 **and are considered, after December 31, 2014, to be rules of**  
21 **the office.**

22 **(2) After December 31, 2014, the rules are treated as if they**  
23 **had been adopted by the office.**

24 SECTION 70. IC 6-3.1-24-12, AS AMENDED BY P.L.193-2005,  
25 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2014]: Sec. 12. **(a)** If the amount of the credit determined  
27 under section 10 of this chapter for a taxpayer in a taxable year exceeds  
28 the taxpayer's state tax liability for that taxable year, the taxpayer may  
29 carry the excess credit over for a period not to exceed the taxpayer's  
30 following five (5) taxable years. The amount of the credit carryover  
31 from a taxable year shall be reduced to the extent that the carryover is  
32 used by the taxpayer to obtain a credit under this chapter for any  
33 subsequent taxable year. A taxpayer is not entitled to a carryback or a  
34 refund of any unused credit amount.

35 **(b) A taxpayer is not entitled to a credit under this chapter for**  
36 **qualified investment capital provided to a qualified Indiana**  
37 **business in a taxable year beginning after December 31, 2016.**

38 **(c) This chapter expires January 1, 2022.**

39 SECTION 71. IC 6-3.1-29-21, AS ADDED BY P.L.191-2005,  
40 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2014]: Sec. 21. **(a)** To receive the credit awarded by this  
42 chapter, a taxpayer must claim the credit on the taxpayer's annual state



1 tax return or returns in the manner prescribed by the department. The  
 2 taxpayer shall submit to the department a copy of the commission's  
 3 determination required under section 19 of this chapter, a copy of the  
 4 taxpayer's certificate of compliance issued under section 19 of this  
 5 chapter, and all information that the department determines is  
 6 necessary for the calculation of the credit provided by this chapter.

7 **(b) A taxpayer is not entitled to a credit under this section for a**  
 8 **qualified investment made in a taxable year beginning after**  
 9 **December 31, 2017.**

10 **(c) This section expires January 1, 2039.**

11 SECTION 72. IC 6-3.1-30-11, AS ADDED BY P.L.193-2005,  
 12 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JULY 1, 2014]: Sec. 11. (a) If the credit provided by this chapter  
 14 exceeds the taxpayer's state tax liability for the taxable year for which  
 15 the credit is first claimed, the excess may be carried forward to  
 16 succeeding taxable years and used as a credit against the taxpayer's  
 17 state tax liability during those taxable years. Each time that the credit  
 18 is carried forward to a succeeding taxable year, the credit is to be  
 19 reduced by the amount that was used as a credit during the immediately  
 20 preceding taxable year. The credit provided by this chapter may be  
 21 carried forward and applied to succeeding taxable years for nine (9)  
 22 taxable years following the unused credit year.

23 (b) A taxpayer is not entitled to any carryback or refund of any  
 24 unused credit.

25 **(c) A taxpayer is not entitled to a credit under this chapter for**  
 26 **relocation costs incurred in a taxable year beginning after**  
 27 **December 31, 2016.**

28 **(d) This chapter expires January 1, 2026.**

29 SECTION 73. IC 6-3.1-30.5-9.5, AS ADDED BY P.L.211-2013,  
 30 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JULY 1, 2014]: Sec. 9.5. (a) This section applies to a taxpayer that is  
 32 entitled to a tax credit under this chapter for a taxable year beginning  
 33 after December 31, 2012.

34 (b) If the credit provided by this chapter exceeds the taxpayer's state  
 35 tax liability for the taxable year for which the credit is first claimed, the  
 36 excess may be carried forward to succeeding taxable years and used as  
 37 a credit against the taxpayer's state tax liability during those taxable  
 38 years. Each time the credit is carried forward to a succeeding taxable  
 39 year, the credit is reduced by the amount that was used as a credit  
 40 during the immediately preceding taxable year. The credit provided by  
 41 this chapter may be carried forward and applied to succeeding taxable  
 42 years for nine (9) taxable years following the unused credit year.



(c) A taxpayer is not entitled to a carryback or refund of any unused credit.

**(d) A taxpayer is not entitled to a credit under this section for a contribution made in a taxable year beginning after December 31, 2017.**

**(e) This section expires January 1, 2029.**

SECTION 74. IC 8-22-3-11, AS AMENDED BY P.L.139-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. **(a)** The board may do all acts necessary or reasonably incident to carrying out the purposes of this chapter, including the following:

- (1) As a municipal corporation, to sue and be sued in its own name.
- (2) To have all the powers and duties conferred by statute upon boards of aviation commissioners. The board supersedes all boards of aviation commissioners within the district. The board has exclusive jurisdiction within the district.
- (3) To protect all property owned or managed by the board.
- (4) To adopt an annual budget and levy taxes in accordance with this chapter.

(A) The board may not levy taxes on property in excess of the following: ~~rate schedule; tax rate specified in subsection (b),~~ except as provided in sections 17 and 25 of this chapter.

Total Assessed Property Valuation	Rate Per \$100 Of Assessed Valuation
\$300 million or less	\$0.10
More than \$300 million but not more than \$450 million	\$0.0833
More than \$450 million but not more than \$600 million	\$0.0667
More than \$600 million but not more than \$900 million	\$0.05
More than \$900 million	\$0.0333

(B) Clause (A) ~~does~~ **and subsection (b) do** not apply to an authority that was established under IC 19-6-2 or IC 19-6-3 (before their repeal on April 1, 1980).

(C) The board of an authority that was established under IC 19-6-3 (before its repeal on April 1, 1980) may levy taxes on property not in excess of six and sixty-seven hundredths cents (\$0.0667) on each one hundred dollars (\$100) of assessed valuation.

- (5) To incur indebtedness in the name of the authority in



- 1 accordance with this chapter.
- 2 (6) To adopt administrative procedures, rules, and regulations.
- 3 (7) To acquire property, real, personal, or mixed, by deed,
- 4 purchase, lease, condemnation, or otherwise and dispose of it for
- 5 use or in connection with or for administrative purposes of the
- 6 airport; to receive gifts, donations, bequests, and public trusts and
- 7 to agree to conditions and terms accompanying them and to bind
- 8 the authority to carry them out; to receive and administer federal
- 9 or state aid; and to erect buildings or structures that may be
- 10 needed to administer and carry out this chapter.
- 11 (8) To determine matters of policy regarding internal organization
- 12 and operating procedures not specifically provided for otherwise.
- 13 (9) To adopt a schedule of reasonable charges and to collect them
- 14 from all users of facilities and services within the district.
- 15 (10) To purchase supplies, materials, and equipment to carry out
- 16 the duties and functions of the board in accordance with
- 17 procedures adopted by the board.
- 18 (11) To employ personnel that are necessary to carry out the
- 19 duties, functions, and powers of the board.
- 20 (12) To establish an employee pension plan. The board may, upon
- 21 due investigation, authorize and begin a fair and reasonable
- 22 pension or retirement plan and program for personnel, the cost to
- 23 be borne by either the authority or by the employee or by both, as
- 24 the board determines. If the authority was established under
- 25 IC 19-6-2 (before its repeal on April 1, 1980), the entire cost must
- 26 be borne by the authority, and ordinances creating the plan or
- 27 making changes in it must be approved by the mayor of the city.
- 28 The plan may be administered and funded by a trust fund or by
- 29 insurance purchased from an insurance company licensed to do
- 30 business in Indiana or by a combination of them. The board may
- 31 also include in the plan provisions for life insurance, disability
- 32 insurance, or both.
- 33 (13) To sell surplus real or personal property in accordance with
- 34 law. If the board negotiates an agreement to sell trees situated in
- 35 woods or forest areas owned by the board, the trees are considered
- 36 to be personal property of the board for severance or sale.
- 37 (14) To adopt and use a seal.
- 38 (15) To acquire, establish, construct, improve, equip, maintain,
- 39 control, lease, and regulate municipal airports, landing fields, and
- 40 other air navigation facilities, either inside or outside the district;
- 41 to acquire by lease (with or without the option to purchase)
- 42 airports, landing fields, or navigation facilities, and any structures,



1 equipment, or related improvements; and to erect, install,  
2 construct, and maintain at the airport or airports facilities for the  
3 servicing of aircraft and for the comfort and accommodation of air  
4 travelers and the public. The Indiana department of transportation  
5 must grant its approval before land may be purchased for the  
6 establishment of an airport or landing field and before an airport  
7 or landing field may be established.

8 (16) To fix and determine exclusively the uses to which the  
9 airport lands may be put, including land use planning and zoning.  
10 All uses must be necessary or desirable to the airport or the  
11 aviation industry and must be compatible with the uses of the  
12 surrounding lands as far as practicable. The jurisdiction granted  
13 under this subdivision is superior to that of any other local  
14 government unit or entity with respect to airport lands.

15 (17) To elect a secretary from its membership, or to employ a  
16 secretary, an airport director, superintendents, managers, a  
17 treasurer, engineers, surveyors, attorneys, clerks, guards,  
18 mechanics, laborers, and all employees the board considers  
19 expedient, and to prescribe and assign their respective duties and  
20 authorities and to fix and regulate the compensation to be paid to  
21 the persons employed by it in accordance with the authority's  
22 appropriations. All employees shall be selected irrespective of  
23 their political affiliations.

24 (18) To make all rules and regulations, consistent with laws  
25 regarding air commerce, for the management and control of its  
26 airports, landing fields, air navigation facilities, and other  
27 property under its control.

28 (19) To acquire by lease the use of an airport or landing field for  
29 aircraft pending the acquisition and improvement of an airport or  
30 landing field.

31 (20) To manage and operate airports, landing fields, and other air  
32 navigation facilities acquired or maintained by an authority; to  
33 lease all or part of an airport, landing field, or any buildings or  
34 other structures, and to fix, charge, and collect rentals, tolls, fees,  
35 and charges to be paid for the use of the whole or a part of the  
36 airports, landing fields, or other air navigation facilities by aircraft  
37 landing there and for the servicing of the aircraft; to construct  
38 public recreational facilities that will not interfere with air  
39 operational facilities; to fix, charge, and collect fees for public  
40 admissions and privileges; and to make contracts for the operation  
41 and management of the airports, landing fields, and other air  
42 navigation facilities; and to provide for the use, management, and



operation of the air navigation facilities through lessees, its own employees, or otherwise. Contracts for the maintenance, operation, or use of the airport or any part of it may be made for a term not exceeding fifteen (15) years and may be extended for similar terms of years. However, the airport, including all or part of its land, facilities, or structures, may be leased for any use connected with the operation and convenience of the airport for an initial term not exceeding forty (40) years and may be extended for a period not to exceed ten (10) years. If a person whose character, experience, and financial responsibility have been determined satisfactory by the board offers to erect a permanent structure that facilitates and is consistent with the operation, use, and purpose of the airport on land belonging to the airport, a lease may be entered into for a period not to exceed ninety-nine (99) years. However, the board must pass an ordinance to enter into such a lease. The board may not grant an exclusive right for the use of a landing area under its jurisdiction. However, this does not prevent the making of leases in accordance with other provisions of this chapter. All contracts, and leases, are subject to restrictions and conditions that the board prescribes. The authority may lease its property and facilities for any commercial or industrial use it considers necessary and proper, including the use of providing airport motel facilities. For the airport authority established by the city of Gary, the board may approve a lease, management agreement, or other contract:

(A) with a person:

(i) who is selected by the board using the procedures under IC 36-1-9.5; and

(ii) whose character, experience, and financial responsibility have been determined satisfactory by the board; and

(B) to use, plan, design, acquire, construct, reconstruct, improve, extend, expand, lease, operate, repair, manage, maintain, or finance all or any part of the airport and its landing fields, air navigation facilities, and other buildings and structures for a period not to exceed ninety-nine (99) years. However, the board must pass an ordinance to enter into such a lease, management agreement, or other contract. All contracts, leases, and management agreements are subject to restrictions and conditions that the board prescribes. The authority may lease its property and facilities for any commercial or industrial use it considers necessary and proper, including the use of providing airport motel facilities. A lease,





- 1 management agreement, or other contract entered into under  
2 this section or any other provision of this chapter may be  
3 entered into without complying with IC 5-23.
- 4 (21) To sell machinery, equipment, or material that is not required  
5 for aviation purposes. The proceeds shall be deposited with the  
6 treasurer of the authority.
- 7 (22) To negotiate and execute contracts for sale or purchase,  
8 lease, personal services, materials, supplies, equipment, or any  
9 other transaction or business relative to an airport under the  
10 board's control and operation. However, whenever the board  
11 determines to sell part or all of aviation lands, buildings, or  
12 improvements owned by the authority, the sale must be in  
13 accordance with law.
- 14 (23) To vacate all or parts of roads, highways, streets, or alleys,  
15 whether inside or outside the district, in the manner provided by  
16 statute.
- 17 (24) To annex lands to itself if the lands are owned by the  
18 authority or are streets, roads, or other public ways.
- 19 (25) To approve any state, county, city, or other highway, road,  
20 street or other public way, railroad, power line, or other  
21 right-of-way to be laid out or opened across an airport or in such  
22 proximity as to affect the safe operation of the airport.
- 23 (26) To construct drainage and sanitary sewers with connections  
24 and outlets as are necessary for the proper drainage and  
25 maintenance of an airport or landing field acquired or maintained  
26 under this chapter, including the necessary buildings and  
27 improvements and for the public use of them in the same manner  
28 that the authority may construct sewers and drains. However, with  
29 respect to the construction of drains and sanitary sewers beyond  
30 the boundaries of the airport or landing field, the board shall  
31 proceed in the same manner as private owners of property and  
32 may institute proceedings and negotiate with the departments,  
33 bodies, and officers of an eligible entity to secure the proper  
34 orders and approvals; and to order a public utility or public  
35 service corporation or other person to remove or to install in  
36 underground conduits wires, cables, and power lines passing  
37 through or over the airport or landing field or along the borders or  
38 within a reasonable distance that may be determined to be  
39 necessary for the safety of operations, upon payment to the utility  
40 or other person of due compensation for the expense of the  
41 removal or reinstallation. The board must consent before any  
42 franchise may be granted by state or local authorities for the



1 construction of or maintenance of railway, telephone, telegraph,  
 2 electric power, pipe, or conduit line upon, over, or through land  
 3 under the control of the board or within a reasonable distance of  
 4 land that is necessary for the safety of operation. The board must  
 5 also consent before overhead electric power lines carrying a  
 6 voltage of more than four thousand four hundred (4,400) volts and  
 7 having poles, standards, or supports over thirty (30) feet in height  
 8 within one-half (1/2) mile of a landing area acquired or  
 9 maintained under this chapter may be installed.

10 (27) To contract with any other state agency or instrumentality or  
 11 any political subdivision for the rendition of services, the rental  
 12 or use of equipment or facilities, or the joint purchase and use of  
 13 equipment or facilities that are necessary for the operation,  
 14 maintenance, or construction of an airport operated under this  
 15 chapter.

16 (28) To provide air transportation in furtherance of the duties and  
 17 responsibilities of the board.

18 (29) To promote or encourage aviation-related trade or commerce  
 19 at the airports that it operates.

20 (30) To provide aviation services to public use airports within or  
 21 outside Indiana either directly or through an affiliate entity  
 22 established by the board.

23 **(b) Except as provided in sections 17 and 25 of this chapter, a**  
 24 **board may impose a tax rate that does not exceed the following:**

25 **(1) If the total assessed valuation is three hundred million**  
 26 **dollars (\$300,000,000) or less, a tax rate of ten cents (\$0.10)**  
 27 **per one hundred dollars (\$100) of assessed valuation.**

28 **(2) If the total assessed valuation is more than three hundred**  
 29 **million dollars (\$300,000,000) but not more than four hundred**  
 30 **fifty million dollars (\$450,000,000), the tax rate necessary to**  
 31 **raise property tax revenue equal to the sum of:**

32 **(A) three hundred thousand dollars (\$300,000); plus**

33 **(B) the amount that would be raised by applying a tax rate**  
 34 **of eight and thirty-three hundredths cents (\$0.0833) (as**  
 35 **adjusted under IC 6-1.1-18-12) per one hundred dollars**  
 36 **(\$100) of assessed valuation that exceeds three hundred**  
 37 **million dollars (\$300,000,000).**

38 **(3) If the total assessed valuation is more than four hundred**  
 39 **fifty million dollars (\$450,000,000) but not more than six**  
 40 **hundred million dollars (\$600,000,000), the tax rate necessary**  
 41 **to raise property tax revenue equal to the sum of:**

42 **(A) three hundred seventy-four thousand eight hundred**



fifty dollars (\$374,850); plus

(B) the amount that would be raised by applying a tax rate of six and sixty-seven hundredths cents (\$0.0667) (as adjusted under IC 6-1.1-18-12) per one hundred dollars (\$100) of assessed valuation that exceeds four hundred fifty million dollars (\$450,000,000).

(4) If the total assessed valuation is more than six hundred million dollars (\$600,000,000) but not more than nine hundred million dollars (\$900,000,000), the tax rate necessary to raise property tax revenue equal to the sum of:

(A) four hundred thousand two hundred dollars (\$400,200); plus

(B) the amount that would be raised by applying a tax rate of five cents (\$0.05) (as adjusted under IC 6-1.1-18-12) per one hundred dollars (\$100) of assessed valuation that exceeds six hundred million dollars (\$600,000,000).

(5) If the total assessed valuation is more than nine hundred million dollars (\$900,000,000), the tax rate necessary to raise property tax revenue equal to the sum of:

(A) four hundred fifty thousand dollars (\$450,000); plus

(B) the amount that would be raised by applying a tax rate of three and thirty-three hundredths cents (\$0.0333) (as adjusted under IC 6-1.1-18-12) per one hundred dollars (\$100) of assessed valuation that exceeds nine hundred million dollars (\$900,000,000).

SECTION 75. IC 8-22-3-25, AS AMENDED BY P.L.139-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) Subject to subsection (c), the board may provide a cumulative building fund in compliance with IC 6-1.1-41 to provide for the acquisition of real property, and the construction, enlarging, improving, remodeling, repairing, or equipping of buildings, structures, runways, or other facilities for use in connection with the airport needed to carry out this chapter and to facilitate and support commercial air transportation.

(b) The board may levy in compliance with IC 6-1.1-41 a tax not to exceed:

(1) thirty-three hundredths of one cent (\$0.0033) on each one hundred dollars (\$100) of assessed value of taxable property within the district, if an eligible entity other than a city established the district or if the district was established jointly with an eligible entity that is not a city;

(2) one and thirty-three hundredths cents (\$0.0133) on each one



hundred dollars (\$100) of assessed value of taxable property within the district, if the authority was established under IC 19-6-3 (before its repeal on April 1, 1980); and (3) for any other district not described in subdivision (1) or (2), the following: **tax rate specified in subsection (c).**

<b>Total Assessed Property Valuation</b>	<b>Rate Per \$100 Of Assessed Valuation</b>
\$300 million or less	\$0.0167
More than \$300 million but not more than \$450 million	\$0.0133
More than \$450 million but not more than \$600 million	\$0.01
More than \$600 million but not more than \$900 million	\$0.0067
More than \$900 million	\$0.0033

As the tax is collected it may be invested in negotiable United States bonds or other securities that the federal government has the direct obligation to pay. Any of the funds collected that are not invested in government obligations shall be deposited in accordance with IC 5-13-6 and shall be withdrawn in the same manner as money is regularly withdrawn from the general fund but without further or additional appropriation. The levy authorized by this section is in addition to the levies authorized by section 11 and section 23 of this chapter.

**(c) For any district not described in subsection (b)(1) or (b)(2), the board may impose a tax rate that does not exceed the following:**

**(1) If the total assessed valuation is three hundred million dollars (\$300,000,000) or less, a tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation.**

**(2) If the total assessed valuation is more than three hundred million dollars (\$300,000,000) but not more than four hundred fifty million dollars (\$450,000,000), the tax rate necessary to raise property tax revenue equal to the sum of:**

**(A) fifty thousand one hundred dollars (\$50,100); plus**

**(B) the amount that would be raised by applying a tax rate of one and thirty-three hundredths cents (\$0.0133) (as adjusted under IC 6-1.1-18-12) per one hundred dollars (\$100) of assessed valuation that exceeds three hundred million dollars (\$300,000,000).**

**(3) If the total assessed valuation is more than four hundred fifty million dollars (\$450,000,000) but not more than six**



1        **hundred million dollars (\$600,000,000), the tax rate necessary**  
 2        **to raise property tax revenue equal to the sum of:**

3        **(A) fifty-nine thousand eight hundred fifty dollars**  
 4        **(\$59,850); plus**

5        **(B) the amount that would be raised by applying a tax rate**  
 6        **of one cent (\$0.01) (as adjusted under IC 6-1.1-18-12) per**  
 7        **one hundred dollars (\$100) of assessed valuation that**  
 8        **exceeds four hundred fifty million dollars (\$450,000,000).**

9        **(4) If the total assessed valuation is more than six hundred**  
 10       **million dollars (\$600,000,000) but not more than nine hundred**  
 11       **million dollars (\$900,000,000), the tax rate necessary to raise**  
 12       **property tax revenue equal to the sum of:**

13       **(A) sixty thousand dollars (\$60,000); plus**

14       **(B) the amount that would be raised by applying a tax rate**  
 15       **of sixty-seven hundredths of a cent (\$0.0067) (as adjusted**  
 16       **under IC 6-1.1-18-12) per one hundred dollars (\$100) of**  
 17       **assessed valuation that exceeds six hundred million dollars**  
 18       **(\$600,000,000).**

19       **(5) If the total assessed valuation is more than nine hundred**  
 20       **million dollars (\$900,000,000), the tax rate necessary to raise**  
 21       **property tax revenue equal to the sum of:**

22       **(A) sixty thousand three hundred dollars (\$60,300); plus**

23       **(B) the amount that would be raised by applying a tax rate**  
 24       **of thirty-three hundredths of a cent (\$0.0033) (as adjusted**  
 25       **under IC 6-1.1-18-12) per one hundred dollars (\$100) of**  
 26       **assessed valuation that exceeds nine hundred million**  
 27       **dollars (\$900,000,000).**

28       **(c) (d) Spending under subsection (a) to facilitate and support**  
 29       **commercial intrastate air transportation is subject to a maximum of one**  
 30       **million dollars (\$1,000,000) cumulatively for all years in which money**  
 31       **is spent under that subsection.**

32       **SECTION 76. IC 8-22-3-31, AS AMENDED BY P.L.182-2009(ss),**  
 33       **SECTION 270, IS AMENDED TO READ AS FOLLOWS**  
 34       **[EFFECTIVE UPON PASSAGE]: Sec. 31. (a) The authority, acting by**  
 35       **and through its board under IC 8-21-8, may accept, receive, and receipt**  
 36       **for federal, other public, or private monies for the acquisition,**  
 37       **construction, enlargement, improvement, maintenance, equipment, or**  
 38       **operation of airports, other air navigation facilities, and sites for them,**  
 39       **and comply with federal laws made for the expenditure of federal**  
 40       **monies upon airports and other air navigation facilities.**

41       **(b) Subject to IC 8-21-8, the board has exclusive power to submit to**  
 42       **the proper state and federal agencies applications for grants of funds**



for airport development and to make or execute representations, assurances and contracts, to enter into covenants and agreements with state or federal agency or agencies relative to the development of an airport, and to comply with all federal and state laws pertaining to the acquisition, development, operation, and administration of airports and properties by the authority.

(c) This subsection applies only to the airport authority established by the city of Gary. The authority may assign the powers described in this section to a lessee or other operator with whom it enters into a lease, management agreement, or other contract under ~~section 11(20)~~ **section 11(a)(20)** of this chapter if the board has determined that the lessee or other operator has the expertise and experience to operate the facilities of the authority in accordance with prudent airport operating standards.

SECTION 77. IC 27-6-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Member insurers, which during any preceding calendar year shall have paid one (1) or more assessments levied pursuant to section 7 of this chapter, shall be allowed a credit against premium taxes, adjusted gross income taxes, or any combination thereof upon revenue or income of member insurers which may be imposed by the state, up to twenty percent (20%) of the assessment described in section 7 of this chapter for each calendar year following the year the assessment was paid until the aggregate of all assessments paid to the guaranty association shall have been offset by either credits against such taxes or refunds from the association. The provisions herein are applicable to all assessments levied after the passage of this article.

(b) To the extent a member insurer elects not to utilize the tax credits authorized by subsection (a), the member insurer may utilize the provisions of subsection (c) as a secondary method of recoupment.

(c) The rates and premiums charged for insurance policies to which this chapter applies shall include amounts sufficient to recoup a sum equal to the amounts paid to the association by the member insurer less any amounts returned to the member insurer by the association and the rates shall not be deemed excessive because they contain an amount reasonably calculated to recoup assessments paid by the member insurer.

**(d) A member insurer is not entitled to a credit under this section for an assessment paid in a taxable year beginning after December 31, 2017.**

**(e) This section expires January 1, 2023.**

SECTION 78. IC 27-8-8-16, AS AMENDED BY P.L.193-2006,



SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 16. (a) A member insurer may take as a credit against premium taxes, adjusted gross income taxes, or any combination of them imposed by the state upon the member insurer's revenue or income not more than twenty percent (20%) of the amount of each assessment described in section 6 of this chapter for each calendar year following the year in which the assessment was paid until the assessment has been offset by either credits against the taxes or refunds from the association. If the member insurer ceases doing business, all uncredited assessments may be credited against the member insurer's premium taxes, adjusted gross income taxes, or a combination of the premium taxes and adjusted gross income taxes of the member insurer for the year the member insurer ceases doing business.

(b) A member insurer is not entitled to a credit under this section for an assessment paid in a taxable year beginning after December 31, 2017.

(c) This section expires January 1, 2023.

SECTION 79. IC 27-8-10-2.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2.4. (a) Beginning January 1, 2005, a member that, before January 1, 2005, has:

- (1) paid an assessment; and
- (2) not taken a credit against taxes;

under section 2.1 of this chapter (as in effect December 31, 2004) is not entitled to claim or carry forward the unused tax credit except as provided in this section.

(b) A member described in subsection (a) may, for each taxable year beginning after December 31, 2006, take a credit of not more than ten percent (10%) of the amount of the assessments paid before January 1, 2005, against which a tax credit has not been taken before January 1, 2005. A credit under this subsection may be taken against premium taxes, adjusted gross income taxes, or any combination of these, or similar taxes upon revenues or income of the member that may be imposed by the state, up to the amount of the taxes due for each taxable year.

(c) If the maximum amount of a tax credit determined under subsection (b) for a taxable year exceeds a member's liability for the taxes described in subsection (b), the member may carry the unused portion of the tax credit forward to subsequent taxable years. Tax credits carried forward under this subsection are not subject to the ten percent (10%) limit set forth in subsection (b).

(d) The total amount of credits taken by a member under this section



in all taxable years may not exceed the total amount of assessments paid by the member before January 1, 2005, minus the total amount of tax credits taken by the member under section 2.1 of this chapter (as in effect December 31, 2004) before January 1, 2005.

**(e) This section expires January 1, 2017.**

SECTION 80. IC 36-4-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. Before the ~~publication~~ **submission** of notice of budget estimates required by IC 6-1.1-17-3, each city shall formulate a budget estimate for the ensuing budget year in the following manner:

(1) Each department head shall prepare for ~~his~~ **the** department an estimate of the amount of money required for the ensuing budget year, stating in detail each category and item of expenditure ~~he~~ **the department head** anticipates.

(2) The city fiscal officer shall prepare an itemized estimate of revenues available for the ensuing budget year, and shall prepare an itemized estimate of expenditures for other purposes above the money proposed to be used by the departments.

(3) The city executive shall meet with the department heads and the fiscal officer to review and revise their various estimates.

(4) After the executive's review and revision, the fiscal officer shall prepare for the executive a report of the estimated department budgets, miscellaneous expenses, and revenues necessary or available to finance the estimates.

SECTION 81. IC 36-5-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. Before the ~~publication~~ **submission** of notice of budget estimates required by IC 6-1.1-17-3, each town shall formulate a budget estimate for the ensuing budget year in the following manner, unless it provides by ordinance for a different manner:

(1) Each department head shall prepare for ~~his~~ **the** department an estimate of the amount of money required for the ensuing budget year, stating in detail each category and item of expenditure ~~he~~ **the department head** anticipates.

(2) The town fiscal officer shall prepare an itemized estimate of revenues available for the ensuing budget year, and shall prepare an itemized estimate of expenditures for other purposes above the money proposed to be used by the departments.

(3) The town executive shall meet with the department heads and the fiscal officer to review and revise their various estimates.

(4) After the executive's review and revision, the fiscal officer shall prepare for the executive a report of the estimated





1 department budgets, miscellaneous expenses, and revenues  
2 necessary or available to finance the estimates.

3 SECTION 82. [EFFECTIVE JANUARY 1, 2015] (a) **IC 6-3.1-20-1,**  
4 **IC 6-3.1-20-4, and IC 6-3.1-20-5, all as amended by this act, apply**  
5 **to taxable years beginning after December 31, 2014.**

6 (b) **This SECTION expires January 1, 2018.**

7 SECTION 83. [EFFECTIVE UPON PASSAGE] (a)  
8 **IC 6-1.1-12-10.1, IC 6-1.1-12-12, IC 6-1.1-12-15, IC 6-1.1-12-17,**  
9 **IC 6-1.1-12-17.5, IC 6-1.1-12-27.1, IC 6-1.1-12-30, IC 6-1.1-12-35.5,**  
10 **IC 6-1.1-12-38, IC 6-1.1-12-45, IC 6-1.1-12.6-3, and IC 6-1.1-12.8-4,**  
11 **all as amended by this act, apply to deductions claimed for**  
12 **assessment dates after February 28, 2014.**

13 (b) **This SECTION expires July 1, 2018.**

14 SECTION 84. [EFFECTIVE UPON PASSAGE] (a) **IC 8-22-3-11**  
15 **and IC 8-22-3-25, both as amended by this act, apply to property**  
16 **taxes imposed for assessment dates that occur after February 28,**  
17 **2014.**

18 (b) **This SECTION expires July 1, 2018.**

19 SECTION 85. **An emergency is declared for this act.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 367, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 27, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 21. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer, the taxpayer was not given:
  - (A) the proper credit under IC 6-1.1-20.6-7.5 for property taxes imposed for an assessment date after January 15, 2011;
  - (B) any other credit permitted by law;
  - (C) an exemption permitted by law; or
  - (D) a deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following



officials:

- (1) The township assessor (if any).
- (2) The county auditor.
- (3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

**(i) IC 6-1.1-26-1 applies to a tax refund based on a correction of error under this section."**

Page 31, line 15, after "shall" insert ", **unless the department finds extenuating circumstances,**".

Page 31, line 30, delete "a" and insert "**an adopted**".

Page 31, line 31, after "shall" insert ", **unless the department finds extenuating circumstances,**".

Page 31, line 31, after "the" insert "**adopted**".

Page 31, after line 42, begin a new paragraph and insert:

"SECTION 23. IC 6-1.1-18.5-13.7, AS ADDED BY P.L.172-2011,



SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13.7. (a) Notwithstanding any other provision of this chapter, Fairfield Township in Tippecanoe County may request that the department of local government finance make an adjustment to the township's maximum permissible property tax levy. ~~The request by the township under this section must be filed before September 1, 2011.~~

(b) The amount of the requested adjustment may not exceed one hundred thirty thousand dollars (\$130,000) for each year.

(c) ~~If the~~ **For a** township ~~makes that made~~ a request for an adjustment in an amount not exceeding the limit prescribed by subsection (b), the department of local government finance shall make the adjustment ~~each year (beginning with property taxes first due and payable in 2012)~~ **a permanent adjustment** to the township's maximum permissible ad valorem property tax levy. ~~for the number of years requested by the township (but not to exceed a total of four (4) years):~~

~~(d) This section expires July 1, 2016. "~~

Page 32, delete lines 1 through 18, begin a new paragraph and insert:

"SECTION 24. IC 6-1.1-20-3.5, AS AMENDED BY P.L.218-2013, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, high school building, or other school building for academic instruction that:

(i) will be used for any combination of kindergarten through grade 12; and

(ii) will cost more than ten million dollars (\$10,000,000).

(B) Any other controlled project that:

(i) is not a controlled project described in clause (A); and

(ii) ~~will the cost of which paid by~~ the political subdivision **more than from bond proceeds will not exceed** the lesser of twelve million dollars (\$12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least one million dollars (\$1,000,000)).

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner



described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must make the following information available to the public at the public hearing on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.

(C) The information specified in subdivision (3)(A) through (3)(G).

(2) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.



- (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
  - (D) The purpose of the bonds or lease.
  - (E) A statement that the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.
  - (F) With respect to bonds issued or a lease entered into to open:
    - (i) a new school facility; or
    - (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;
 the estimated costs the school corporation expects to annually incur to operate the facility.
  - (G) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.
  - (H) The information specified in subdivision (1)(A) through (1)(B).
- (4) After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter may be filed by the lesser of:
- (A) one hundred (100) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or
  - (B) five percent (5%) of the registered voters residing within the political subdivision.
- (5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:
- (A) the carrier and signers must be owners of property or registered voters;
  - (B) the carrier must be a signatory on at least one (1) petition;



(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least one hundred twenty-five (125) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least one hundred twenty-five (125) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of



property within the political subdivision does in fact own property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least one hundred twenty-five (125) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8) (as applicable), shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property or a combination of those types of property within the political subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

- (A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or
- (B) the body that has the authority to authorize the issuance of





the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(11) If a sufficient petition requesting the local public question process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall provide to the county auditor:

- (1) a copy of the notice required by subsection (b)(2); and
- (2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter."

Page 32, delete lines 41 through 42.

Page 33, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 26. IC 6-2.5-2-3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 3. (a) As used in this section, "motor vehicle" means a vehicle that would be subject to the annual license excise tax imposed under IC 6-6-5 if the vehicle were to be used in Indiana.**

**(b) Notwithstanding section 2 of this chapter, the state gross retail tax rate on a motor vehicle that a purchaser intends to immediately register, license, and title in another state is the rate of that state as certified by the seller and purchaser in an affidavit containing the information prescribed by the department of state revenue.**

SECTION 27. IC 6-2.5-5-46, AS AMENDED BY P.L.288-2013, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 46. (a) Transactions involving tangible personal property (including materials, parts, equipment, and engines) are exempt from the state gross retail tax, if the property is:**

- (1) used;
- (2) consumed; or
- (3) installed;

in furtherance of, or in, the repair, maintenance, refurbishment, remodeling, or remanufacturing of an aircraft or an avionics system of



an aircraft.

(b) The exemption provided by this section applies to a transaction only if:

(1) the retail merchant, at the time of the transaction, possesses a valid repair station certificate issued by the Federal Aviation Administration under 14 CFR 145 et seq. or other applicable law or regulation; **or**

(2) **the:**

(A) **retail merchant has leased a facility at a public use airport for the maintenance of aircraft and meets the public use airport owner's minimum standards for an aircraft maintenance facility; and**

(B) **work is performed by a mechanic who is certified by the Federal Aviation Administration.**

(c) **The owner of a public use airport shall annually provide to the department the names of retail merchants that have a lease with the public use airport and that perform aircraft maintenance at the public use airport.**

SECTION 28. IC 6-3-3-5.1, AS AMENDED BY P.L.2-2007, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5.1. (a) At the election of the taxpayer, a credit against the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, is permitted in an amount (subject to the applicable limitations provided by this section) equal to fifty percent (50%) of the aggregate amount of contributions made by the taxpayer during the taxable year to the twenty-first century scholars program support fund established under IC 21-12-7-1.

(b) In the case of a taxpayer other than a corporation, the amount allowable as a credit under this section for any taxable year may not exceed:

- (1) one hundred dollars (\$100) in the case of a single return; or
- (2) two hundred dollars (\$200) in the case of a joint return.

(c) In the case of a taxpayer that is a corporation, the amount allowable as a credit under this section for any taxable year may not exceed the lesser of the following amounts:

- (1) Ten percent (10%) of the corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for the taxable year (as determined without regard to any credits against that tax).
- (2) One thousand dollars (\$1,000).

(d) The credit permitted under this section may not exceed the amount of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as



determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

**(e) A taxpayer is not entitled to a credit under this section for a contribution made in a taxable year beginning after December 31, 2017.**

**(f) This section expires January 1, 2019.**

SECTION 29. IC 6-3-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) The credit provided by this section shall be known as the unified tax credit for the elderly.

(b) As used in this section, unless the context clearly indicates otherwise:

(1) "Household federal adjusted gross income" means the total adjusted gross income, as defined in Section 62 of the Internal Revenue Code, of an individual, or of an individual and his **or her** spouse if they reside together for the taxable year for which the credit provided by this section is claimed.

(2) "Household" means a claimant or, if applicable, a claimant and his or her spouse if the spouse resides with the claimant and "household income" means the income of the claimant or, if applicable, the combined income of the claimant and his or her spouse if the spouse resides with the claimant.

(3) "Claimant" means an individual, other than an individual described in subsection (c) of this section, who:

(A) has filed a claim under this section;

(B) was a resident of this state for at least six (6) months during the taxable year for which he or she has filed a claim under this section; and

(C) was sixty-five (65) years of age during some portion of the taxable year for which ~~he~~ **the individual** has filed a claim under this section or whose spouse was either sixty-five (65) years of age or over during the taxable year.

(c) The credit provided under this section shall not apply to an individual who, for a period of at least one hundred eighty (180) days during the taxable year for which ~~he~~ **the individual** has filed a claim under this section, was incarcerated in a local, state, or federal correctional institution.

(d) The right to file a claim under this section shall be personal to the claimant and shall not survive ~~his~~ **the claimant's** death, except that a surviving spouse of a claimant is entitled to claim the credit provided by this section. For purposes of determining the amount of the credit a surviving spouse is entitled to claim under this section, the deceased spouse shall be treated as having been alive on the last day of the



taxable year in which the deceased spouse died. When a claimant dies after having filed a timely claim, the amount thereof shall be disbursed to another member of the household as determined by the commissioner. If the claimant was the only member of ~~his~~ **the claimant's** household, the claim may be paid to ~~his~~ **the claimant's** executor or administrator, but if neither is appointed and qualified within two (2) years of the filing of the claim, the amount of the claim shall escheat to the state.

(e) For each taxable year, subject to the limitations provided in this section, one (1) claimant per household may claim, as a credit against Indiana adjusted gross income taxes otherwise due, the credit provided by this section. If the allowable amount of the claim exceeds the income taxes otherwise due on the claimant's household income or if there are no Indiana income taxes due on such income, the amount of the claim not used as an offset against income taxes after audit by the department, at the taxpayer's option, shall be refunded to the claimant or taken as a credit against such taxpayer's income tax liability subsequently due.

(f) No claim filed pursuant to this section shall be allowed unless filed within six (6) months following the close of claimant's taxable year or within the extension period if an extension of time for filing the return has been granted under IC 6-8.1-6-1, whichever is later.

(g) The amount of any claim otherwise payable under this section may be applied by the department against any liability outstanding on the books of the department against the claimant, or against any other individual who was a member of ~~his~~ **the claimant's** household in the taxable year to which the claim relates.

(h) The amount of a claim filed pursuant to this section by a claimant that either (i) does not reside with ~~his~~ **the claimant's** spouse during the taxable year, or (ii) resides with ~~his~~ **the claimant's** spouse during the taxable year and only one (1) of them is sixty-five (65) years of age or older at the end of the taxable year, shall be determined in accordance with the following schedule:

HOUSEHOLD FEDERAL ADJUSTED GROSS INCOME FOR TAXABLE YEAR		CREDIT
less than \$1,000		\$100
at least \$1,000, but less than \$3,000		\$ 50
at least \$3,000, but less than \$10,000		\$ 40

(i) The amount of a claim filed pursuant to this section by a claimant that resides with ~~his~~ **the claimant's** spouse during ~~his~~ **the claimant's** taxable year shall be determined in accordance with the following



schedule if both the claimant and spouse are sixty-five (65) years of age or older at the end of the taxable year:

HOUSEHOLD FEDERAL ADJUSTED GROSS INCOME FOR TAXABLE YEAR		CREDIT
less than \$1,000		\$140
at least \$1,000, but less than \$3,000		\$ 90
at least \$3,000, but less than \$10,000		\$ 80

(j) The department may promulgate reasonable rules under IC 4-22-2 for the administration of this section.

(k) Every claimant under this section shall supply to the department on forms provided under IC 6-8.1-3-4, in support of ~~his~~ **the claimant's** claim, reasonable proof of household income and age.

(l) Whenever on the audit of any claim filed under this section the department finds that the amount of the claim has been incorrectly determined, the department shall redetermine the claim and notify the claimant of the redetermination and the reasons therefor. The redetermination shall be final.

(m) In any case in which it is determined that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full, and, if the claim has been paid or a credit has been allowed against income taxes otherwise payable, the credit shall be canceled and the amount paid shall be recovered by assessment as income taxes are assessed and such assessment shall bear interest from the date of payment or credit of the claim, until refunded or paid at the rate determined under IC 6-8.1-10-1. The claimant in such a case commits a Class A misdemeanor. In any case in which it is determined that a claim is or was excessive and was negligently prepared, ten percent (10%) of the corrected claim shall be disallowed and, if the claim has been paid or credited against income taxes otherwise payable, the credit shall be reduced or canceled, and the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed, and such assessment shall bear interest at the rate determined under IC 6-8.1-10-1 from the date of payment until refunded or paid.

**(n) A taxpayer is not entitled to a credit under this section for a taxable year beginning after December 31, 2017.**

**(o) This section expires January 1, 2019.**

SECTION 30. IC 6-3-3-10, AS AMENDED BY P.L.182-2009(ss), SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 10. (a) As used in this section:

"Base period wages" means the following:



(1) In the case of a taxpayer other than a pass through entity, wages paid or payable by a taxpayer to its employees during the year that ends on the last day of the month that immediately precedes the month in which an enterprise zone is established, to the extent that the wages would have been qualified wages if the enterprise zone had been in effect for that year. If the taxpayer did not engage in an active trade or business during that year in the area that is later designated as an enterprise zone, then the base period wages equal zero (0). If the taxpayer engaged in an active trade or business during only part of that year in an area that is later designated as an enterprise zone, then the department shall determine the amount of base period wages.

(2) In the case of a taxpayer that is a pass through entity, base period wages equal zero (0).

"Enterprise zone" means an enterprise zone created under IC 5-28-15.

"Enterprise zone adjusted gross income" means adjusted gross income of a taxpayer that is derived from sources within an enterprise zone. Sources of adjusted gross income shall be determined with respect to an enterprise zone, to the extent possible, in the same manner that sources of adjusted gross income are determined with respect to the state of Indiana under IC 6-3-2-2.

"Enterprise zone gross income" means gross income of a taxpayer that is derived from sources within an enterprise zone.

"Enterprise zone insurance premiums" means insurance premiums derived from sources within an enterprise zone.

"Monthly base period wages" means base period wages divided by twelve (12).

"Qualified employee" means an individual who is employed by a taxpayer and who:

- (1) has the individual's principal place of residence in the enterprise zone in which the individual is employed;
- (2) performs services for the taxpayer, ninety percent (90%) of which are directly related to the conduct of the taxpayer's trade or business that is located in an enterprise zone;
- (3) performs at least fifty percent (50%) of the individual's services for the taxpayer during the taxable year in the enterprise zone; and
- (4) in the case of an individual who is employed by a taxpayer that is a pass through entity, was first employed by the taxpayer after December 31, 1998.

"Qualified increased employment expenditures" means the



following:

(1) For a taxpayer's taxable year other than the taxpayer's taxable year in which the enterprise zone is established, the amount by which qualified wages paid or payable by the taxpayer during the taxable year to qualified employees exceeds the taxpayer's base period wages.

(2) For the taxpayer's taxable year in which the enterprise zone is established, the amount by which qualified wages paid or payable by the taxpayer during all of the full calendar months in the taxpayer's taxable year that succeed the date on which the enterprise zone was established exceed the taxpayer's monthly base period wages multiplied by that same number of full calendar months.

"Qualified state tax liability" means a taxpayer's total income tax liability incurred under:

(1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax) with respect to enterprise zone adjusted gross income;

(2) IC 27-1-18-2 (insurance premiums tax) with respect to enterprise zone insurance premiums; and

(3) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this section.

"Qualified wages" means the wages paid or payable to qualified employees during a taxable year.

"Taxpayer" includes a pass through entity.

(b) A taxpayer is entitled to a credit against the taxpayer's qualified state tax liability for a taxable year in the amount of the lesser of:

(1) the product of ten percent (10%) multiplied by the qualified increased employment expenditures of the taxpayer for the taxable year; or

(2) one thousand five hundred dollars (\$1,500) multiplied by the number of qualified employees employed by the taxpayer during the taxable year.

(c) The amount of the credit provided by this section that a taxpayer uses during a particular taxable year may not exceed the taxpayer's qualified state tax liability for the taxable year. If the credit provided by this section exceeds the amount of that tax liability for the taxable year it is first claimed, then the excess may be carried back to preceding taxable years or carried over to succeeding taxable years and used as a credit against the taxpayer's qualified state tax liability for those taxable years. Each time that the credit is carried back to a preceding



taxable year or carried over to a succeeding taxable year, the amount of the carryover is reduced by the amount used as a credit for that taxable year. Except as provided in subsection (e), the credit provided by this section may be carried forward and applied in the ten (10) taxable years that succeed the taxable year in which the credit accrues. The credit provided by this section may be carried back and applied in the three (3) taxable years that precede the taxable year in which the credit accrues.

(d) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's qualified state tax liability for that taxable year before any credit carryover or carryback is applied against that liability under subsection (c).

(e) Notwithstanding subsection (c), if a credit under this section results from wages paid in a particular enterprise zone, and if that enterprise zone terminates in a taxable year that succeeds the last taxable year in which a taxpayer is entitled to use the credit carryover that results from those wages under subsection (c), then the taxpayer may use the credit carryover for any taxable year up to and including the taxable year in which the enterprise zone terminates.

(f) A taxpayer is not entitled to a refund of any unused credit.

(g) A taxpayer that:

- (1) does not own, rent, or lease real property outside of an enterprise zone that is an integral part of its trade or business; and
- (2) is not owned or controlled directly or indirectly by a taxpayer that owns, rents, or leases real property outside of an enterprise zone;

is exempt from the allocation and apportionment provisions of this section.

(h) If a pass through entity is entitled to a credit under subsection (b) but does not have state tax liability against which the tax credit may be applied, an individual who is a shareholder, partner, beneficiary, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, beneficiary, or member is entitled.

The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, beneficiary, or member of a pass through entity is entitled. However, a pass through entity and an individual who is a shareholder, partner, beneficiary, or member of a pass through entity may not claim more than one (1) credit for the





qualified expenditure.

**(i) A taxpayer is not entitled to a credit under this chapter for:**

**(1) employment expenditures made; or**

**(2) qualified employees who are employed;**

**in a taxable year beginning after December 31, 2016.**

**(j) This chapter expires January 1, 2026.**

SECTION 31. IC 6-3-3-12, AS AMENDED BY P.L.182-2009(ss), SECTION 198, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12. (a) As used in this section, "account" has the meaning set forth in IC 21-9-2-2.

(b) As used in this section, "account beneficiary" has the meaning set forth in IC 21-9-2-3.

(c) As used in this section, "account owner" has the meaning set forth in IC 21-9-2-4.

(d) As used in this section, "college choice 529 education savings plan" refers to a college choice 529 investment plan established under IC 21-9.

(e) As used in this section, "contribution" means the amount of money directly provided to a college choice 529 education savings plan account by a taxpayer. A contribution does not include any of the following:

(1) Money credited to an account as a result of bonus points or other forms of consideration earned by the taxpayer that result in a transfer of money to the account.

(2) Money transferred from any other qualified tuition program under Section 529 of the Internal Revenue Code or from any other similar plan.

(f) As used in this section, "nonqualified withdrawal" means a withdrawal or distribution from a college choice 529 education savings plan that is not a qualified withdrawal.

(g) As used in this section, "qualified higher education expenses" has the meaning set forth in IC 21-9-2-19.5.

(h) As used in this section, "qualified withdrawal" means a withdrawal or distribution from a college choice 529 education savings plan that is made:

(1) to pay for qualified higher education expenses, excluding any withdrawals or distributions used to pay for qualified higher education expenses if the withdrawals or distributions are made from an account of a college choice 529 education savings plan that is terminated within twelve (12) months after the account is opened;

(2) as a result of the death or disability of an account beneficiary;



- (3) because an account beneficiary received a scholarship that paid for all or part of the qualified higher education expenses of the account beneficiary, to the extent that the withdrawal or distribution does not exceed the amount of the scholarship; or
- (4) by a college choice 529 education savings plan as the result of a transfer of funds by a college choice 529 education savings plan from one (1) third party custodian to another.

A qualified withdrawal does not include a rollover distribution or transfer of assets from a college choice 529 education savings plan to any other qualified tuition program under Section 529 of the Internal Revenue Code or to any other similar plan.

(i) As used in this section, "taxpayer" means:

- (1) an individual filing a single return; or
- (2) a married couple filing a joint return.

(j) A taxpayer is entitled to a credit against the taxpayer's adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for a taxable year equal to the least of the following:

- (1) Twenty percent (20%) of the amount of the total contributions made by the taxpayer to an account or accounts of a college choice 529 education savings plan during the taxable year.
- (2) One thousand dollars (\$1,000).
- (3) The amount of the taxpayer's adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

(k) A taxpayer is not entitled to a carryback, carryover, or refund of an unused credit.

(l) A taxpayer may not sell, assign, convey, or otherwise transfer the tax credit provided by this section.

(m) To receive the credit provided by this section, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department all information that the department determines is necessary for the calculation of the credit provided by this section.

(n) An account owner of an account of a college choice 529 education savings plan must repay all or a part of the credit in a taxable year in which any nonqualified withdrawal is made from the account. The amount the taxpayer must repay is equal to the lesser of:

- (1) twenty percent (20%) of the total amount of nonqualified withdrawals made during the taxable year from the account; or
- (2) the excess of:
  - (A) the cumulative amount of all credits provided by this



section that are claimed by any taxpayer with respect to the taxpayer's contributions to the account for all prior taxable years beginning on or after January 1, 2007; over

(B) the cumulative amount of repayments paid by the account owner under this subsection for all prior taxable years beginning on or after January 1, 2008.

(o) Any required repayment under subsection (o) shall be reported by the account owner on the account owner's annual state income tax return for any taxable year in which a nonqualified withdrawal is made.

(p) A nonresident account owner who is not required to file an annual income tax return for a taxable year in which a nonqualified withdrawal is made shall make any required repayment on the form required under IC 6-3-4-1(2). If the nonresident account owner does not make the required repayment, the department shall issue a demand notice in accordance with IC 6-8.1-5-1.

(q) The executive director of the Indiana education savings authority shall submit or cause to be submitted to the department a copy of all information returns or statements issued to account owners, account beneficiaries, and other taxpayers for each taxable year with respect to:

- (1) nonqualified withdrawals made from accounts of a college choice 529 education savings plan for the taxable year; or
- (2) account closings for the taxable year.

**(r) A taxpayer is not entitled to a credit under this section for a contribution made in a taxable year beginning after December 31, 2017.**

**(s) This section expires January 1, 2019.**

SECTION 32. IC 6-3.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. **(a)** Subject to the limitation established in sections 4 and 5 of this chapter, a taxpayer that employs an eligible teacher in a qualified position during a school summer recess is entitled to a tax credit against ~~his~~ **the taxpayer's** state income tax liability as provided for under section 3 of this chapter.

**(b) A taxpayer is not entitled to a credit under this chapter for employing an eligible teacher in a qualified position in a taxable year beginning after December 31, 2017.**

**(c) This chapter expires January 1, 2019.**

SECTION 33. IC 6-3.1-4-3, AS ADDED BY P.L.197-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. **(a)** The amount of the credit provided by this chapter that a taxpayer uses during a particular taxable year may not exceed the sum of the taxes imposed by IC 6-3 for the taxable year after the application of all credits that under IC 6-3.1-1-2 are to be applied



before the credit provided by this chapter. If the credit provided by this chapter exceeds that sum for the taxable year for which the credit is first claimed, then the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, it is to be reduced by the amount which was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for ten (10) taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).

(c) A taxpayer is not entitled to any carryback or refund of any unused credit.

**(d) A taxpayer is not entitled to a credit under this chapter for research expenses incurred in a taxable year beginning after December 31, 2017.**

**(e) This chapter expires January 1, 2025.**

SECTION 34. IC 6-3.1-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) A taxpayer who enters into an agreement is entitled to receive an income tax credit for a taxable year equal to:

- (1) the taxpayer's state income tax liability for the taxable year;
- (2) an amount equal to the sum of:
  - (A) fifty percent (50%) of any investment in qualified property made by the taxpayer during the taxable year as part of the agreement; plus
  - (B) twenty-five percent (25%) of the wages paid to inmates during the taxable year as part of the agreement; or
- (3) one hundred thousand dollars (\$100,000);

whichever is least.

(b) A tax credit shall be allowed under this chapter only for the taxable year of the taxpayer during which:

- (1) the investment in qualified property is made in accordance with Section 38 of the Internal Revenue Code; or
- (2) the wages are paid to inmates;

as part of an agreement.

**(c) A taxpayer is not entitled to a credit under this chapter for investments made or wages paid in a taxable year after December 31, 2017.**



**(d) This chapter expires January 1, 2019.**

SECTION 35. IC 6-3.1-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) If the amount determined under section 2(b) of this chapter for a particular taxpayer and a particular taxable year exceeds the taxpayer's state tax liability for that taxable year, then the taxpayer may carry the excess over to the immediately succeeding taxable years. Except as provided in subsection (b), the credit carryover may not be used for any taxable year that begins more than ten (10) years after the date on which the qualified loan from which the credit results is made. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) Notwithstanding subsection (a), if a loan is a qualified loan as the result of the use of the loan proceeds in a particular enterprise zone, and if the phase-out period of that enterprise zone terminates in a taxable year that succeeds the last taxable year in which a taxpayer is entitled to use credit carryover that results from that loan under subsection (a), then the taxpayer may use the credit carryover for any taxable year up to and including the taxable year in which the phase-out period of the enterprise zone terminates.

**(c) A taxpayer is not entitled to a credit under this chapter for qualified loan interest received in a taxable year beginning after December 31, 2016.**

**(d) This chapter expires January 1, 2026.**

SECTION 36. IC 6-3.1-9-1, AS AMENDED BY P.L.1-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. (a) As used in this chapter, "authority" means the Indiana housing and community development authority established by IC 5-20-1-3.

(b) As used in this chapter, "business firm" means any business entity authorized to do business in the state of Indiana that has state tax liability.

(c) As used in this chapter, "community services" means any type of:

- (1) counseling and advice;
- (2) emergency assistance;
- (3) medical care;
- (4) recreational facilities;
- (5) housing facilities; or
- (6) economic development assistance;

provided to individuals, economically disadvantaged households,



groups, or neighborhood organizations in an economically disadvantaged area **or provided to individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole.**

(d) As used in this chapter, "crime prevention" means any activity which aids in the reduction of crime in an economically disadvantaged area or an economically disadvantaged household.

(e) As used in this chapter, "economically disadvantaged area" means an enterprise zone, or any other federally or locally designated economically disadvantaged area in Indiana. The certification shall be made on the basis of current indices of social and economic conditions, which shall include but not be limited to the median per capita income of the area in relation to the median per capita income of the state or standard metropolitan statistical area in which the area is located.

(f) As used in this chapter, "economically disadvantaged household" means a household with an annual income that is at or below eighty percent (80%) of the area median income or any other federally designated target population.

(g) As used in this chapter, "education" means any type of scholastic instruction or scholarship assistance to an individual who:

(1) resides in an economically disadvantaged area; **or**

**(2) is an ex-offender who has completed the individual's criminal sentence or is serving a term of probation or parole;**

that enables the individual to prepare for better life opportunities.

(h) As used in this chapter, "enterprise zone" means an enterprise zone created under IC 5-28-15.

(i) As used in this chapter, "job training" means any type of instruction to an individual who:

(1) resides in:

(1) **(A)** an economically disadvantaged area; **or**

(2) **(B)** an economically disadvantaged household; **or**

**(2) is an ex-offender who has completed the individual's criminal sentence or is serving a term of probation or parole;**

that enables the individual to acquire vocational skills so that the individual can become employable or be able to seek a higher grade of employment.

(j) As used in this chapter, "neighborhood assistance" means either:

(1) furnishing financial assistance, labor, material, and technical advice to aid in the physical or economic improvement of any part or all of an economically disadvantaged area; **or**

(2) furnishing technical advice to promote higher employment in any neighborhood in Indiana.



(k) As used in this chapter, "neighborhood organization" means any organization, including but not limited to a nonprofit development corporation doing both of the following:

(1) Performing community services:

(A) in an economically disadvantaged area; ~~or~~

(B) for an economically disadvantaged household; ~~or~~

**(C) for individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole.**

(2) Holding a ruling:

(A) from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under the provisions of the Internal Revenue Code; and

(B) from the department of state revenue that the organization is exempt from income taxation under IC 6-2.5-5-21.

(l) As used in this chapter, "person" means any individual subject to Indiana gross or adjusted gross income tax.

(m) As used in this chapter, "state fiscal year" means a twelve (12) month period beginning on July 1 and ending on June 30.

(n) As used in this chapter, "state tax liability" means the taxpayer's total tax liability that is incurred under:

(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and

(2) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter.

(o) As used in this chapter, "tax credit" means a deduction from any tax otherwise due and payable under IC 6-3 or IC 6-5.5.

SECTION 37. IC 6-3.1-9-2, AS AMENDED BY P.L.1-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) A business firm or a person who contributes to a neighborhood organization that engages in the activities of providing:

**(1) neighborhood assistance, job training, or education for individuals not employed by the business firm or person; ~~or for~~**

**(2) community services or crime prevention in an economically disadvantaged area; ~~or~~**

**(3) community services, education, or job training services to individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole;**



shall receive a tax credit as provided in section 3 of this chapter if the authority approves the proposal of the business firm or person, setting forth the program to be conducted, the area selected, the estimated amount to be invested in the program, and the plans for implementing the program.

(b) The authority, after consultation with the community services agency and the commissioner of revenue, may adopt rules for the approval or disapproval of these proposals.

SECTION 38. IC 6-3.1-9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. **(a)** A tax credit shall be allowable under this chapter only for the taxable year of the taxpayer in which the contribution qualifying for the credit is paid or permanently set aside in a special account for the approved program or purpose.

**(b) A taxpayer is not entitled to a credit under this chapter for contributions made or permanently set aside in a taxable year beginning after December 31, 2017.**

**(c) This chapter expires January 1, 2019.**

SECTION 39. IC 6-3.1-10-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) If the amount determined under section 6(b) of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit.

**(c) A taxpayer is not entitled to a credit under this chapter for qualified investments made in a taxable year beginning after December 31, 2016.**

**(d) This chapter expires January 1, 2026.**

SECTION 40. IC 6-3.1-11-7.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 7.2. As used in this chapter, "pass through entity" has the meaning set forth in IC 6-3-1-35.**

SECTION 41. IC 6-3.1-11-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17. (a) If the amount determined under section 16(b) of this chapter for a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the immediately following





taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit.

**(c) A taxpayer is not entitled to a credit under this chapter for qualified investments made in a taxable year beginning after December 31, 2016.**

**(d) This chapter expires January 1, 2026.**

SECTION 42. IC 6-3.1-11-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 24. (a) If a pass through entity does not have state income tax liability against which the tax credit provided by this chapter may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:**

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by**
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.**

**(b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter.**

SECTION 43. IC 6-3.1-13-13, AS AMENDED BY P.L.4-2005, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 13. (a) The corporation may make credit awards under this chapter to foster job creation in Indiana or, as provided in section 15.5 of this chapter, job retention in Indiana.**

**(b) The credit shall be claimed for the taxable years specified in the taxpayer's tax credit agreement.**

**(c) The corporation may not, after December 31, 2016, approve a credit agreement specifying that a taxpayer may claim a credit under this chapter.**

**(d) This chapter expires January 1, 2026.**

SECTION 44. IC 6-3.1-16-1 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. ~~Sec. 1. The definitions set forth in:~~

- ~~(1) IC 14-8-2 that apply to IC 14-21-1; and~~
- ~~(2) IC 14-21-1;~~

~~apply throughout this chapter.~~

SECTION 45. IC 6-3.1-16-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: **Sec. 2. As used in this**



chapter, "~~division~~" **"office"** means the ~~division of historic preservation and archaeology of the department of natural resources~~; **office of community and rural affairs established by IC 4-4-9.7-4.**

SECTION 46. IC 6-3.1-16-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 7. (a) Subject to section 14 of this chapter, a taxpayer is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer completes the preservation or rehabilitation of historic property and obtains the certifications required under section 8 of this chapter.

(b) The amount of the credit is equal to twenty percent (20%) of the qualified expenditures that:

- (1) the taxpayer makes for the preservation or rehabilitation of historic property; and
- (2) are approved by the ~~division~~; **office.**

(c) In the case of a husband and wife who:

- (1) own and rehabilitate a historic property jointly; and
- (2) file separate tax returns;

the husband and wife may take the credit in equal shares or one (1) spouse may take the whole credit.

SECTION 47. IC 6-3.1-16-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. A taxpayer qualifies for a credit under section 7 of this chapter if all of the following conditions are met:

- (1) The historic property is:
  - (A) located in Indiana;
  - (B) at least fifty (50) years old; and
  - (C) except as provided in section 7(c) of this chapter, owned by the taxpayer.
- (2) The ~~division~~ **office** certifies that the historic property is listed in the register of Indiana historic sites and historic structures.
- (3) The ~~division~~ **office** certifies that the taxpayer submitted a proposed preservation or rehabilitation plan to the ~~division~~ **office** that complies with the standards of the ~~division~~; **office.**
- (4) The ~~division~~ **office** certifies that the preservation or rehabilitation work that is the subject of the credit substantially complies with the proposed plan referred to in subdivision (3).
- (5) The preservation or rehabilitation work is completed in not more than:
  - (A) two (2) years; or
  - (B) five (5) years if the preservation or rehabilitation plan indicates that the preservation or rehabilitation is initially planned for completion in phases.



The time in which work must be completed begins when the physical work of construction or destruction in preparation for construction begins.

(6) The historic property is:

- (A) actively used in a trade or business;
- (B) held for the production of income; or
- (C) held for the rental or other use in the ordinary course of the taxpayer's trade or business.

(7) The qualified expenditures for preservation or rehabilitation of the historic property exceed ten thousand dollars (\$10,000).

SECTION 48. IC 6-3.1-16-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 9. (a) The ~~division office~~ shall provide the certifications referred to in section 8(3) and 8(4) of this chapter if a taxpayer's proposed preservation or rehabilitation plan complies with the standards of the ~~division office~~ and the taxpayer's preservation or rehabilitation work complies with the plan.

(b) The taxpayer may appeal a ~~decision~~ **final determination** by the ~~division office~~ under this chapter to the ~~review board~~ **tax court**.

SECTION 49. IC 6-3.1-16-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 10. To obtain a credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue the certifications by the ~~division office~~ required under section 8 of this chapter and all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter.

SECTION 50. IC 6-3.1-16-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 12. (a) A credit claimed under this chapter shall be recaptured from the taxpayer if:

- (1) the property is transferred less than five (5) years after completion of the certified preservation or rehabilitation work; or
- (2) less than five (5) years after completion of the certified preservation or rehabilitation, additional modifications to the property are undertaken that do not meet the standards of the ~~division office~~.

(b) If the recapture of a credit is required under this section, an amount equal to the credit recaptured shall be added to the tax liability of the taxpayer for the taxable year during which the credit is recaptured.

SECTION 51. IC 6-3.1-16-13 IS AMENDED TO READ AS



FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) If the credit provided by this chapter exceeds a taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for fifteen (15) taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).

(c) A taxpayer is not entitled to any carryback or refund of any unused credit.

**(d) A taxpayer may not claim a credit under this chapter for qualified expenditures approved in a taxable year beginning after December 31, 2017.**

SECTION 52. IC 6-3.1-16-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 15. **(a)** The following may adopt rules under IC 4-22-2 to carry out this chapter:

- (1) The department of state revenue.
- (2) ~~The division.~~ **office.**

**(b) The following apply to any rules adopted by the division of historic preservation and archaeology of the department of natural resources under this chapter before January 1, 2015:**

- (1) The rules are transferred to the office on January 1, 2015, and are considered, after December 31, 2014, to be rules of the office.**
- (2) After December 31, 2014, the rules are treated as if they had been adopted by the office.**

SECTION 53. IC 6-3.1-18-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 11. **(a)** A tax credit shall be allowable under this chapter only for the taxable year of the taxpayer in which the contribution qualifying for the credit is paid.

**(b) A taxpayer is not entitled to a credit under this chapter for a contribution made in a taxable year beginning after December 31, 2017.**

**(c) This chapter expires January 1, 2019.**

SECTION 54. IC 6-3.1-19-3, AS AMENDED BY P.L.172-2011,



SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) Except as provided in section 5 of this chapter, a taxpayer is entitled to a credit against the taxpayer's state and local tax liability for a taxable year if the taxpayer makes a qualified investment in that year.

(b) The amount of the credit to which a taxpayer is entitled is the qualified investment made by the taxpayer during the taxable year multiplied by twenty-five percent (25%).

(c) A taxpayer may assign any part of the credit to which the taxpayer is entitled under this chapter to a lessee of property redeveloped or rehabilitated under section 2 of this chapter. A credit that is assigned under this subsection remains subject to this chapter.

(d) An assignment under subsection (c) must be in writing and both the taxpayer and the lessee must report the assignment on their state tax return for the year in which the assignment is made, in the manner prescribed by the department. The taxpayer may not receive value in connection with the assignment under subsection (c) that exceeds the value of the part of the credit assigned.

(e) If a pass through entity is entitled to a credit under this chapter but does not have state and local tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and an individual who is a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same investment.

(f) A taxpayer that is otherwise entitled to a credit under this chapter for a taxable year may claim the credit regardless of whether any income tax incremental amount or gross retail incremental amount has been:

- (1) deposited in the incremental tax financing fund established for the community revitalization enhancement district; or
- (2) allocated to the district.

**(g) A taxpayer is not entitled to a credit under this chapter for a qualified investment made in a taxable year beginning after December 31, 2016.**



**(h) This chapter expires January 1, 2026.**

SECTION 55. IC 6-3.1-20-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 1. As used in this chapter, "~~earned~~ **Indiana** income" means the ~~sum of the~~:

- (1) ~~wages; salaries; tips; and other employee compensation; and~~
- (2) ~~net earnings from self-employment (as computed under Section 32(c)(2) of the Internal Revenue Code);~~

**adjusted gross income** of an individual taxpayer, and the individual's spouse, if the individual files a joint adjusted gross income tax return.

SECTION 56. IC 6-3.1-20-4, AS AMENDED BY P.L.13-2013, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 4. (a) Except as provided in subsection (b), an individual is entitled to a credit under this chapter if:

- (1) the individual's ~~earned~~ **Indiana** income for the taxable year is less than eighteen thousand six hundred dollars (\$18,600); and
- (2) the individual pays property taxes in the taxable year on a homestead that:

(A) the individual:

- (i) owns; or
- (ii) is buying under a contract that requires the individual to pay property taxes on the homestead, if the contract or a memorandum of the contract is recorded in the county recorder's office; and

(B) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) An individual is not entitled to a credit under this chapter for a taxable year for property taxes paid on the individual's homestead if the individual claims the deduction under IC 6-3-1-3.5(a)(15) for the homestead for that same taxable year.

**(c) An individual is not entitled to a credit under this section for property taxes paid in a taxable year beginning after December 31, 2017.**

**(d) This section expires January 1, 2019.**

SECTION 57. IC 6-3.1-20-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 5. (a) Each year, an individual described in section 4 of this chapter is entitled to a refundable credit against the individual's state income tax liability in the amount determined under this section.

(b) In the case of an individual with ~~earned~~ **Indiana** income of less than eighteen thousand dollars (\$18,000) for the taxable year, the amount of the credit is equal to the lesser of:



- (1) three hundred dollars (\$300); or
- (2) the amount of property taxes described in section 4(a)(2) of this chapter paid by the individual in the taxable year.

(c) In the case of an individual with **earned Indiana** income that is at least eighteen thousand dollars (\$18,000) but less than eighteen thousand six hundred dollars (\$18,600) for the taxable year, the amount of the credit is equal to the lesser of the following:

- (1) An amount determined under the following STEPS:

STEP ONE: Determine the result of:

- (i) eighteen thousand six hundred dollars (\$18,600); minus
- (ii) the individual's **earned Indiana** income for the taxable year.

STEP TWO: Determine the result of:

- (i) the STEP ONE amount; multiplied by
- (ii) five-tenths (0.5).

- (2) The amount of property taxes described in section 4(a)(2) of this chapter paid by the individual in the taxable year.

(d) If the amount of the credit under this chapter exceeds the individual's state tax liability for the taxable year, the excess shall be refunded to the taxpayer.

SECTION 58. IC 6-3.1-20-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 7. (a) The department shall before July 1 of each year determine **the greater of:**

- (1) eight million five hundred thousand dollars (\$8,500,000);**
- or**

- (2) the amount of credits allowed under this chapter for taxable years ending before January 1 of the year.**

(b) **Except as provided in subsection (d),** one-half (1/2) of the amount determined by the department under subsection (a) shall be:

- (1) deducted during the year from the riverboat admissions tax revenue otherwise payable to the county under IC 4-33-12-6(d)(2); and

- (2) paid instead to the state general fund.

(c) **Except as provided in subsection (d),** one-sixth (1/6) of the amount determined by the department under subsection (a) shall be:

- (1) deducted during the year from the riverboat admissions tax revenue otherwise payable under IC 4-33-12-6(d)(1) to each of the following:

- (A) The largest city by population located in the county.
- (B) The second largest city by population located in the county.
- (C) The third largest city by population located in the county;



and

(2) paid instead to the state general fund.

**(d) If the amount determined by the department under subsection (a)(2) is less than eight million five hundred thousand dollars (\$8,500,000), the difference of:**

**(1) eight million five hundred thousand dollars (\$8,500,000);**  
**minus**

**(2) the amount determined by the department under subsection (a)(2);**

**shall be paid to the northwest Indiana regional development authority established by IC 36-7.5-2-1 instead of the state general fund.**

SECTION 59. IC 6-3.1-21-8, AS AMENDED BY P.L.172-2011, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8. **(a)** To obtain a credit under this chapter, a taxpayer must claim the advance payment or credit in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter.

**(b) A taxpayer may not claim a credit under this chapter after December 31, 2016.**

**(c) This chapter expires January 2, 2018.**

SECTION 60. IC 6-3.1-22-1 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. ~~Sec. 1. The definitions set forth in:~~

~~(1) IC 14-8-2 that apply to IC 14-21-1; and~~

~~(2) IC 14-21-1;~~

~~apply throughout this chapter.~~

SECTION 61. IC 6-3.1-22-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 2. As used in this chapter, ~~"division"~~ **"office"** means the ~~division of historic preservation and archeology of the department of natural resources.~~ **office of community and rural affairs established by IC 4-4-9.7-4.**

SECTION 62. IC 6-3.1-22-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. (a) Subject to section 14 of this chapter, a taxpayer is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer completes the preservation or rehabilitation of historic property and obtains the certifications required under section 9 of this chapter.

(b) The amount of the credit is equal to twenty percent (20%) of the qualified expenditures that:

(1) the taxpayer makes for the preservation or rehabilitation of





historic property; and

(2) are approved by the ~~division~~ **office**.

(c) In the case of a husband and wife who:

(1) own and rehabilitate a historic property jointly; and

(2) file separate tax returns;

the husband and wife may take the credit in equal shares or one (1) spouse may take the whole credit.

SECTION 63. IC 6-3.1-22-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 9. A taxpayer qualifies for a credit under section 8 of this chapter if all of the following conditions are met:

(1) The historic property is:

(A) located in Indiana;

(B) at least fifty (50) years old; and

(C) except as provided in section 8(c) of this chapter, owned by the taxpayer.

(2) The ~~division~~ **office** certifies that the historic property is listed in the register of Indiana historic sites and historic structures.

(3) The ~~division~~ **office** certifies that the taxpayer submitted a proposed preservation or rehabilitation plan to the ~~division~~ **office** that complies with the standards of the ~~division~~ **office**.

(4) The ~~division~~ **office** certifies that the preservation or rehabilitation work that is the subject of the credit substantially complies with the proposed plan referred to in subdivision (3).

(5) The preservation or rehabilitation work is completed in not more than:

(A) two (2) years; or

(B) five (5) years if the preservation or rehabilitation plan indicates that the preservation or rehabilitation is initially planned for completion in phases.

The time in which work must be completed begins when the physical work of construction or destruction in preparation for construction begins.

(6) The historic property is principally used and occupied by the taxpayer as the taxpayer's residence.

(7) The qualified expenditures for preservation or rehabilitation of the historic property exceed ten thousand dollars (\$10,000).

SECTION 64. IC 6-3.1-22-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 10. (a) The ~~division~~ **office** shall provide the certifications referred to in section 9(3) and 9(4) of this chapter if a taxpayer's proposed preservation or rehabilitation plan complies with the standards of the ~~division~~ **office**



and the taxpayer's preservation or rehabilitation work complies with the plan.

(b) The taxpayer may appeal a ~~decision~~ **final determination** by the ~~division office~~ under this chapter to the ~~review board~~; **tax court**.

SECTION 65. IC 6-3.1-22-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 11. To obtain a credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue the certifications by the ~~division office~~ required under section 9 of this chapter and all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter.

SECTION 66. IC 6-3.1-22-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 13. (a) A credit claimed under this chapter shall be recaptured from the taxpayer if:

- (1) the property is transferred less than five (5) years after completion of the certified preservation or rehabilitation work; or
- (2) less than five (5) years after completion of the certified preservation or rehabilitation, additional modifications to the property are undertaken that do not meet the standards of the ~~division office~~.

(b) If the recapture of a credit is required under this section, an amount equal to the credit recaptured shall be added to the tax liability of the taxpayer for the taxable year during which the credit is recaptured.

SECTION 67. IC 6-3.1-22-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) If the credit provided by this chapter exceeds a taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for fifteen (15) taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).



(c) A taxpayer is not entitled to any carryback or refund of any unused credit.

**(d) A taxpayer may not claim a credit under this chapter for qualified expenditures approved in a taxable year beginning after December 31, 2017.**

SECTION 68. IC 6-3.1-22-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 16. **(a)** The following may adopt rules under IC 4-22-2 to carry out this chapter:

(1) The department of state revenue.

(2) The ~~division~~ office.

**(b) The following apply to any rules adopted by the division of historic preservation and archaeology of the department of natural resources under this chapter before January 1, 2015:**

**(1) The rules are transferred to the office on January 1, 2015, and are considered, after December 31, 2014, to be rules of the office.**

**(2) After December 31, 2014, the rules are treated as if they had been adopted by the office.**

SECTION 69. IC 6-3.1-24-12, AS AMENDED BY P.L.193-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12. **(a)** If the amount of the credit determined under section 10 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess credit over for a period not to exceed the taxpayer's following five (5) taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback or a refund of any unused credit amount.

**(b) A taxpayer is not entitled to a credit under this chapter for qualified investment capital provided to a qualified Indiana business in a taxable year beginning after December 31, 2016.**

**(c) This chapter expires January 1, 2022.**

SECTION 70. IC 6-3.1-29-21, AS ADDED BY P.L.191-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 21. **(a)** To receive the credit awarded by this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department a copy of the commission's determination required under section 19 of this chapter, a copy of the taxpayer's certificate of compliance issued under section 19 of this chapter, and all information that the department determines is



necessary for the calculation of the credit provided by this chapter.

**(b) A taxpayer is not entitled to a credit under this section for a qualified investment made in a taxable year beginning after December 31, 2017.**

**(c) This section expires January 1, 2039.**

SECTION 71. IC 6-3.1-30-11, AS ADDED BY P.L.193-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 11. (a) If the credit provided by this chapter exceeds the taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried forward to succeeding taxable years and used as a credit against the taxpayer's state tax liability during those taxable years. Each time that the credit is carried forward to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for nine (9) taxable years following the unused credit year.

(b) A taxpayer is not entitled to any carryback or refund of any unused credit.

**(c) A taxpayer is not entitled to a credit under this chapter for relocation costs incurred in a taxable year beginning after December 31, 2016.**

**(d) This chapter expires January 1, 2026.**

SECTION 72. IC 6-3.1-30.5-9.5, AS ADDED BY P.L.211-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9.5. (a) This section applies to a taxpayer that is entitled to a tax credit under this chapter for a taxable year beginning after December 31, 2012.

(b) If the credit provided by this chapter exceeds the taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried forward to succeeding taxable years and used as a credit against the taxpayer's state tax liability during those taxable years. Each time the credit is carried forward to a succeeding taxable year, the credit is reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for nine (9) taxable years following the unused credit year.

(c) A taxpayer is not entitled to a carryback or refund of any unused credit.

**(d) A taxpayer is not entitled to a credit under this section for a contribution made in a taxable year beginning after December 31, 2017.**



**(e) This section expires January 1, 2029."**

Page 42, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 30. IC 27-6-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Member insurers, which during any preceding calendar year shall have paid one (1) or more assessments levied pursuant to section 7 of this chapter, shall be allowed a credit against premium taxes, adjusted gross income taxes, or any combination thereof upon revenue or income of member insurers which may be imposed by the state, up to twenty percent (20%) of the assessment described in section 7 of this chapter for each calendar year following the year the assessment was paid until the aggregate of all assessments paid to the guaranty association shall have been offset by either credits against such taxes or refunds from the association. The provisions herein are applicable to all assessments levied after the passage of this article.

(b) To the extent a member insurer elects not to utilize the tax credits authorized by subsection (a), the member insurer may utilize the provisions of subsection (c) as a secondary method of recoupment.

(c) The rates and premiums charged for insurance policies to which this chapter applies shall include amounts sufficient to recoup a sum equal to the amounts paid to the association by the member insurer less any amounts returned to the member insurer by the association and the rates shall not be deemed excessive because they contain an amount reasonably calculated to recoup assessments paid by the member insurer.

**(d) A member insurer is not entitled to a credit under this section for an assessment paid in a taxable year beginning after December 31, 2017.**

**(e) This section expires January 1, 2023.**

SECTION 31. IC 27-8-8-16, AS AMENDED BY P.L.193-2006, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 16. (a) A member insurer may take as a credit against premium taxes, adjusted gross income taxes, or any combination of them imposed by the state upon the member insurer's revenue or income not more than twenty percent (20%) of the amount of each assessment described in section 6 of this chapter for each calendar year following the year in which the assessment was paid until the assessment has been offset by either credits against the taxes or refunds from the association. If the member insurer ceases doing business, all uncredited assessments may be credited against the member insurer's premium taxes, adjusted gross income taxes, or a combination of the premium taxes and adjusted gross income taxes of



the member insurer for the year the member insurer ceases doing business.

**(b) A member insurer is not entitled to a credit under this section for an assessment paid in a taxable year beginning after December 31, 2017.**

**(c) This section expires January 1, 2023.**

SECTION 29. IC 27-8-10-2.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2.4. (a) Beginning January 1, 2005, a member that, before January 1, 2005, has:

- (1) paid an assessment; and
- (2) not taken a credit against taxes;

under section 2.1 of this chapter (as in effect December 31, 2004) is not entitled to claim or carry forward the unused tax credit except as provided in this section.

(b) A member described in subsection (a) may, for each taxable year beginning after December 31, 2006, take a credit of not more than ten percent (10%) of the amount of the assessments paid before January 1, 2005, against which a tax credit has not been taken before January 1, 2005. A credit under this subsection may be taken against premium taxes, adjusted gross income taxes, or any combination of these, or similar taxes upon revenues or income of the member that may be imposed by the state, up to the amount of the taxes due for each taxable year.

(c) If the maximum amount of a tax credit determined under subsection (b) for a taxable year exceeds a member's liability for the taxes described in subsection (b), the member may carry the unused portion of the tax credit forward to subsequent taxable years. Tax credits carried forward under this subsection are not subject to the ten percent (10%) limit set forth in subsection (b).

(d) The total amount of credits taken by a member under this section in all taxable years may not exceed the total amount of assessments paid by the member before January 1, 2005, minus the total amount of tax credits taken by the member under section 2.1 of this chapter (as in effect December 31, 2004) before January 1, 2005.

**(e) This section expires January 1, 2017."**

Page 43, delete lines 23 through 42.

Delete pages 44 through 74.

Page 75, delete lines 1 through 13, begin a new paragraph and insert:

"SECTION 41. [EFFECTIVE JANUARY 1, 2015] (a) IC 6-3.1-20-1, IC 6-3.1-20-4, and IC 6-3.1-20-5, all as amended by



**this act, apply to taxable years beginning after December 31, 2014.**

**(b) This SECTION expires January 1, 2018."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 367 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 1.

